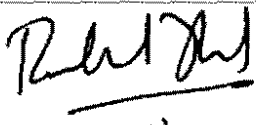

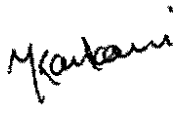



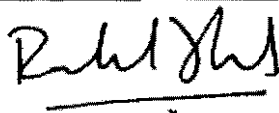


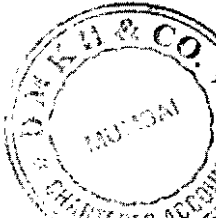
## Annual Audit Report

### Form A

1	Name of the Company	N2N Technologies Limited (formerly, Visisth Mercantile Limited)
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	NA
5	<b>Signatures:</b>  Rahul Shah - CEO (Director)  Rajesh Shah (Audit committee chairman)  Manish Kankani Partner - M/s. DMKH & Co. - Chartered Accountants	 ..    

## Annual Audit Report

### Form A

1	Name of the Company	N2N Technologies Limited (formerly, Visisth Mercantile Limited)
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	NA
5	<b>Signatures:</b>  Rahul Shah – CEO (Director)  Rajesh Shah (Audit committee chairman)  Manish Kankani Partner – M/s. DMKH & Co. – Chartered Accountants	   

BOOK-POST



**N2N TECHNOLOGIES LTD.**

if undelivered please return to :  
**N2N TECHNOLOGIES LTD.**  
101, P1 Pentagon, Magarpatta City,  
Hadapsar, Pune, MH 411013  
Phone : (020) 30525201 Fax : (020) 30547400

**Annual Report**  
**2013-2014**

A decorative horizontal line with a slight upward curve at the right end, positioned below the text "2013-2014".

# N2N TECHNOLOGIES LIMITED

(CIN : L72900PN1985PLC145004)

## Board of Directors

Name of the Director	DIN	Designation
Mr. Rahul Shah	01545609	Director
Mr. Rajesh Shah	00079576	Independent Director
Mr. Jayesh Desai	05197040	Independent Director
Mr. Haren Parekh	00004883	Independent Director

### Statutory Auditors

M/s. DMKH & Co.

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,  
Andheri (W), Mumbai - 400053

### Compliance Officer

Mr. Nilesh Amrutkar

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

### 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 ,[www.n2ntechno.com](http://www.n2ntechno.com)  
Ph: (020-30525201) Fax: (020-30547400)

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12	Notes forming part of Balance Sheet & Profit & Loss	
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**N2N TECHNOLOGIES LIMITED**

**NOTICE IS HEREBY GIVEN THAT 29<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON THURSDAY, SEPTEMBER 25, 2014 AT 3.00 P.M. AT 101, P-1, PENTAGON, MAGARPATTA CITY, PUNE – 411013 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31<sup>st</sup> 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. DMKH & Co., Chartered Accountants, Mumbai, bearing ICAI Registration No. 116886W, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting held thereafter (subject to ratification of the appointment by the members at every AGM) on a such terms & remuneration as may be mutually agreed by the Board of Directors of the Company and Auditor.

**SPECIAL BUSINESS:****3. Appointment of Mr. Haren Parekh as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Haren Parekh (DIN: 00004883), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of Annual general meeting.”

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution.”

**4. Appointment of Mr. Rajesh Shah as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajesh shah (holding DIN 00079576), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby

appointed as an Independent Director of the Company to hold office for five consecutive years from the date of Annual general meeting.”

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution.”

**5. Appointment of Mr. Jayesh Desai as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jayesh Desai (holding DIN 05197040), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the date of Annual general meeting.”

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this resolution.”

**6. To approve Borrowing limits of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED that pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the “Board”) for borrowing from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the sum of Rs. 20.00 (Twenty) crore.”

“RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things as may be necessary and incidental for giving effect to the above, including execution of all such documents, instruments and writings, as may be required.”

**7. To authorise for creation of Charges on the assets of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the “Board”) for creation of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures / bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.20 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings.”

RESOLVED FURTHER that the Board be and is hereby severally authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or ypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

Place: Mumbai

Date: August 14, 2014

By Order of the Board  
For N2N Technologies Ltd

Sd/-

Nilesh Amrutkar  
Compliance Officer

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts relating to the business stated under Item Nos. 4 to 7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Pursuant to Section 91 of the Companies Act, 2013, Register of shareholders and Share Transfer Books of the Company will remain closed from Saturday, Sept 20, 2014 to Thursday, September 25, 2014, both days inclusive, for the purpose of the Annual General Meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the shareholders at the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the shareholders at the AGM.
6. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.

7. Shareholders who hold shares in demat form are requested to direct any change of address, updates of savings bank account details to their respective Depository Participant(s). Shareholders holding shares in physical form are requested to notify/send any change in their address/mandate/bank account details to the Company's Registrar and Transfer Agent

8. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall.

9. Shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.

10. Corporate shareholders are requested to send to the Company's or its Registrar and Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.

11. Shareholders desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the Nomination Form annexed to the Notice and send the same to the Company.

12. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF).

Accordingly, all dividends declared for and up to 2006-2007 on equity shares which remained unclaimed for a period of seven years, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Act.

13. Shareholders, who have not yet encashed their dividend warrant(s), for any dividends declared after the aforesaid dividends, are requested to forward their claims to the Registrar and Share Transfer Agents.

14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository. Accordingly, the Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those shareholders whose e-mail addresses are registered with the Company/Depositories, unless any shareholder has requested for a physical copy of the same. For shareholders who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

15. To support the 'Green Initiative', shareholders who have not registered their e-mail addresses are requested to register the same with their Depository Participant or with the Company's Registrar & Share Transfer Agents

16. Voting through electronic means:

In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the notice through electronic voting system, to shareholders holding shares as on Friday, August 22, 2014 being the cut-off date ("Record date" for the purpose of Rule 20(3)(vii) of the said Rules) fixed for determining voting rights of shareholders entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on Friday, August 22, 2014.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID



**The instructions for members for voting electronically are as under:-****In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "N2N TECHNOLOGIES LTD." from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the N2N Technologies Ltd. on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 19<sup>th</sup> Sept, 2014 (9.00 am) and ends on 21<sup>st</sup> Sept, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> Aug 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, Aug 22, 2014.
- The Company has appointed, Advocate. Jyoti Pandey, as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from the shareholders who do not have access to the e-voting process) in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.n2ntechno.com](http://www.n2ntechno.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the 29<sup>th</sup> AGM of the Company and communicated to BSE where the shares of the Company are listed.

Place: Mumbai

Date: August 14, 2014

By Order of the Board  
For N2N Technologies Ltd

Sd/-

Nilesh Amrutkar  
Compliance Officer

**ANNEXURE 'I' TO THE NOTICE : EXPLANATORY STATEMENT****Item No. 3, 4 & 5**

There are three Independent Directors on the Board of the Company as per the Listing Agreement requirements viz., Mr. Rajesh Shah, Mr. Haren Parekh and Mr. Jayesh Desai. All these Independent Directors had been appointed vide member's resolution in terms of the provisions of the Companies Act, 1956 as Directors' whose period of office is liable to determination by retirement by rotation.

Their profile, Qualification, experience is given as a part of statement, as required under clause 49 of the listing agreement.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the independent Directors on the Board of the Company and are also independent of the management.

As per sec. 152, of the above mentioned Independent Directors who are directors liable to retire by rotation and are proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office for 5 (five) consecutive years for a term up to the conclusion of the ensuing Annual General meeting of the Company in the calendar year 2019.

The proposal for appointment for the other Independent Directors under the Companies Act, 2013 shall be taken up for approval of the Members of the Company as and when the tenure of their respective Directorships would expire at the Annual General Meetings following the forthcoming AGM of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajesh Shah, Mr. Haren Parekh and Mr. Jayesh Desai as an Independent Director, for the approval by the members of the Company.

Except Mr. Rajesh Shah, Mr. Haren Parekh and Mr. Jayesh Desai being an appointee in the respective resolution, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2, Item No.4 & Item No.5

**Item Nos. 6 & 7:**

As per Section 180 (1) (c) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the following powers of the Board are required to be exercised only with the consent of the company by way of a Special Resolution.

(i) borrow monies on behalf of the Company in excess of the aggregate of the paid-up capital of the Company and its free reserves, and

(ii) create a mortgage or charge or hypothecation on the Company's assets in favour of lending agencies and trustees to secure the amounts borrowed including interest, charges, etc. payable thereon,

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowings was earlier taken vide ordinary resolution as per previous Companies Act 1956, therefore, now , pursuant to Section 180(1)(c) and (a) of the Companies Act 2013, being sought by way of Special Resolutions respectively.

The Directors commend the Resolutions at Item Nos. 6 and 7 of the accompanying Notice for the approval of the Members of the Company. None of the Directors of the Company or their relatives or Key Managerial Persons of the Company or their relatives, are concerned or interested in the passing of the said Resolutions.

Place: Mumbai

Date: August 14, 2014

By Order of the Board  
For N2N Technologies Ltd

Sd/-

Nilesh Amrutkar  
Compliance Officer

**BRIEF PROFILE OF DIRECTORS AS PER CLAUSE 49 (IV)(G) OF THE LISTING AGREEMENT****1. Mr. Haren Parekh (DIN: 00004883)****Date of Birth** : 16<sup>th</sup> June, 1961**Date of Appointment** : 14<sup>th</sup> November, 2011**Background and Profile** : Mr. Haren Parekh, a Chartered Accountant by profession and presently working as CFO at HDB Financial Services Limited, subsidiary of HDFC Bank. He has also worked with CIBIL and Hindustan Oil Exploration Company at senior level. He has overall experience of 28 years has knowledge in the field of Taxation, Legal, Accounting, and Finance.**Directorship in other Companies** : NIL**No. of Shares Held in the company** : NIL**2. Mr. Rajesh Shah (DIN: 00079576)****Date of Birth** : 10<sup>th</sup> Jan, 1953**Date of Appointment** : 3<sup>rd</sup> December, 2011**Background and Profile** : Mr. Rajesh Shah is qualified as Chartered Accountant, became Partner of M/s. A.J. Shah & Co.(CA Firm) since 1979. Mr. Shah has more than 30 years of experience in Tax and Audit field. He has served on Board's of various companies as an Independent Director. He also has experience in the field of Finance and Arbitration.**Directorship in other Companies** : Melstar Information Technologies Ltd (chairman of Audit committee & Remuneration Committee, Member of stakeholders relations committee)**No. of Shares Held in the company** : NIL**3. Mr. Jayesh Desai (DIN: 05197040)****Date of Birth** : 13<sup>th</sup> April, 1958**Date of Appointment** : 14<sup>th</sup> February, 2012**Background and Profile** : Mr. Jayesh Desai is having Bachelors Degree in Arts and LLB. He is enrolled with Bar since 1984 and is practicing as a Lawyer since 1984. He has experience of more than 28 years.**Directorship in other Companies** : NIL**No. of Shares Held in the company** : NIL

DIRECTOR'S REPORT

Dear Members

The Board of Directors of your Company are very happy in presenting the 29<sup>th</sup> Annual Report of the company together with audited statement of accounts for the Financial year ended 31<sup>st</sup> March 2014.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Income	9,08,537	10,93,129	3,19,43,075	2,00,57,69,929
Profit/(Loss) before Extra-ordinary Items, Tax and Depreciation	-42,46,716	-45,69,819	-40,48,591	12,68,37,924
Less: Depreciation	2,09,740	2,83,268	17,25,713	96,53,937
Profit/(Loss) before Provision for Tax	-45,06,001	-48,53,087	-58,23,849	11,71,83,987
Less: Provision for Taxation	Nil	-29,01,468	Nil	1,24,50,032
Profit/(Loss) after addition of share of profits from Joint Ventures	-45,06,001	-19,51,619	4,83,14,604	10,47,33,955

BUSINESS STRATEGY & FUTURE BUSINESS :

Your Company has understood the responsibilities it has to face as posed by the IT & ITes industry and committed to attain globally recognised standards to take the lead. The Company is adopting the philosophy of long term approach to help the growth of the industry which would ultimately benefit all the business partners, communities, society and the environment.

Your company's mission is to provide best service in class solutions to all clients who prefer to focus on their core business and to support them in streamlining their business processes and reducing cost.

SUBSIDIARIES / JOINT VENTURES :

Your company as a corporate strategic tool has maintained its 68.39 % stake in DSR Infotech Private Limited to continue it as a subsidiary. During the year step down subsidiary Katalyst Technologies Inc has issued fresh shares to outsiders as a result DSR infotech's stake in its share capital has come down to 50%, thus the Katalyst Technologies Inc., is no longer remains a step down subsidiary of the Company.

A company having subsidiaries is required to attach to the Directors' Report, Balance Sheet and Profit & Loss statement of its subsidiaries. However, as a matter of green initiative government has exempted such companies from publishing the audited consolidated financial statement in the Annual Report to be circulated to shareholders.

In view of the above, Annual Report 2013-14 of your Company does not contain the annual reports of its subsidiaries. A statement containing summarized financials which includes reserves, total assets, total liabilities, investments, total sales, profit before tax etc. of subsidiary is included in this report. The audited annual accounts and related information of subsidiary will be made available upon request. These documents will also be available for inspection during business hours at registered office of the Company.

#### AMALGAMATION :

Scheme of Amalgamation is sanctioned by Honorable High Court of Judicature at Bombay, vide their order dated 29<sup>th</sup> Oct 2013, consequent to which Board of Directors of the company at its Board Meeting held on December 21, 2013 has made allotment of 13,41,400 equity shares of Rs.10/- each to the shareholders and Debentureholders of Leadsoft Softech Private Limited as per the said scheme. Approval of the SEBI's & Stock exchange for listing and trading for the shares so issued is awaited.

#### CAPITAL STRUCTURE :

During the year Authorized Share Capital of the Company stood at Rs. 5,50,00,000/- and the Paid up capital has been increased to Rs.4,40,80,660 from Rs.2,80,00,000.

Out of the total increase in paid up capital of 16,08,066 equity shares of Rs. 10 each , 2,66,666 Equity Shares were issued on conversion of 2,66,666, 0% Unsecured Optionally Convertible Debentures (@ Rs.150/- per share), and balance 13,41,400 equity shares of Rs.10/- each have been issued at par consequent to approval of scheme of Amalgamation with Leadsoft Softech Private Ltd. by Hon' High Court of Bombay.

#### DIVIDEND AND TRANSFER TO RESERVES :

Since during the year no revenue was generated by the company, your Directors have not recommended any dividend for distribution on Equity Share Capital of the Company for the Financial Year ended 31st March 2014. Hence, the amount to be transferred to General Reserve Account does not arise.

#### QUALITY POLICY :

The Company believes that quality of our services depends on our ability to attract and nurture the best talent and provide the best to our customers by assuring the quality of the products, the Company will ensure the best return for the Company and also maintain the reputation and good will.

#### HUMAN RESOURCES DEVELOPMENT :

Your Company recognizes business strategies and systems as the key elements for sustained growth of business, thus now it is fine - tuning the criteria for recruitment and induction into the organization to suit new skill sets that are required. Training and development is also being designed and drafted with varied inputs on job knowledge as well as soft skills.

Employees are vital to the growth of the Organization. We have created a favorable work environment that encourages innovation and meritocracy.

#### LISTING:

The Company's shares are listed on the BSE Ltd, Mumbai, where the shares are actively traded.

#### CODE OF CORPORATE GOVERNANCE :

Good Corporate governance basically lies on the principles of integrity, fairness, equity, transparency, commitment and accountability to the stakeholders, employees, community and towards environment protection. Stakeholders look forward to the Company for transparency in its activities and disclosures. The management would attempt to understand the expectations and concerns of the stakeholders and explain to them our position on issues, management actions, and performance and future objectives.

A separate section on Corporate Governance and a certificate required under Clause 49(VII) confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement entered with the Stock Exchange is included in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY :

Your Company is committed to improve the quality of life of the work force and their families and also the community. Further, the Company believes that undertaking activities in such a manner that promote the interest of all stake holders and society, which will help overall development of the society.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has installed the internal control systems suitable for the Company considering the volume of business and its size.

FIXED DEPOSITS :

Your Company has not accepted any fixed deposits from public within the meaning of Sec. 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 made there under and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet and also on the date of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT :

As required by the Companies (Amendment) Act, 2000, your directors based on the representation received from the management state that:

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures wherever applicable;
- (b) the Directors has selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION :

The particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, as amended up to date, are set out hereunder:

**(1) CONSERVATION OF ENERGY**

With a view to conserve energy wherever possible and practicable, your Company is planning to implement suitable electrical power savers and devices. The Company has not incurred any expenditure under this head during the year under review.

**(2) RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

Adopting a continuous research and development method in any business will only bring positive results to the Company. These results would be reflected in delivering quality products and finally to register a higher profit and growth. Though your Company is inclined to adopt research and development policy suitable to the business, for the financial year under review, it has not spent specifically on this account.

**(3) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earnings	:	NIL
Foreign Exchange Outgo	:	NIL

**(4) PARTICULARS OF EMPLOYEES**

As per Sec. 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees (Amendment) Rules, 1988, no employee of the Company is drawing salary more than the specified limit.

**DIRECTORS :**

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, and the Company's Article of Association, Mr. Haren Parekh (Independent Director- DIN: 00004883) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Also as per Companies Act 2013, the company need to appoint Independent Directors within the meaning of Companies Act 2013, therefore existing Independent Directors i.e. Mr.Haren Parekh (DIN: 00004883), Mr. Rajesh Shah (DIN: 00079576) & Mr. Jayesh Desai (DIN: 05197040) who were appointed as per clause 49 of listing agreement, need to be redesignated as Independent directors under Companies Act 2013 to modify their scope of duties, liabilities & appointment terms. Their detailed profile forms a part of this Annual Report.

**AUDITORS :**

M/s. DMKH & Co., Chartered Accountants, holds office up to the conclusion of the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment as required under Companies Act, 2013. They have furnished the necessary declarations for their eligibility. The Board recommends their re-appointment.

**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 from D S Momaya & Co., Practicing Company Secretaries is annexed.

**ACCLAMATION :**

Your Directors wish to place on record their sincere thanks to the valuable investors, banks, business associates, consultants and advisors for their keen involvement with the Company's affairs and business and their support in the activities during the Financial Year.

Your Directors also place on record with gratitude the support and guidance by the Government Authorities and other Government Agencies and look forward to their continued support in the future.

For & on behalf of the Board of Directors of  
N2N TECHNOLOGIES LIMITED

Sd/-

Haren Parekh  
Director

Sd/-

Rahul Shah  
Director

Date : 14/08/2014



## **Management Discussion and Analysis Report**

### **A) 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.

Globally, The IT Services industry today is facing intense competitive pressures and rapidly changing market dynamics, driven by changing economy, regulatory environment, new technology and innovation. Customers today seek more efficient and effective operations along with technology based innovation and business transformation. As per reports from leading analyst firms and associations global IT Services spending growth in US Dollars in the recent future is expected to be approximately between 3% to 6%.

#### **Major growth drivers in 2014-15 will be:**

- Ability to verticalize and replicate the solutions to drive efficiency and economy;
- Adaptability, agility and scalability in disruptive technologies like Mobility, Analytics, Cloud, Social media, and Big data; and Customers increasingly looking at specialized service providers with innovative business models and aligned to customers business goals.

### **B) Opportunities and threats**

Group's strategy of focusing on key customers and aligning with strategic partners has created stability and a platform for growth for a group as a whole. We continue to see opportunities in existing areas and will invest in further verticalising our operations. Having said that, an unstable environment in the European region, tougher immigration laws in US, regulatory environment, competition from the other specialized players in our focused verticals of operations, continue to remain a threat to our existing business and prospects. Business is subject to risks arising out of business combinations like mergers, acquisitions, take over etc.

### **C) 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.

### **D) Performance review**

Your Company is engaged in the business of providing IT Services and solutions to its customers in the US.

Promoters have acquired the company for their core IT business and is in process of forming suitable strategic corporate business model with other group companies so as to provide maximum value to stakeholders and achieve sustainability.

Reporting on the results for the year that ended on 31st March, 2014, Your Company in its consolidated financials of its continuing business has reported revenues of Rs. 319.43 lacs and a profit of Rs. 4.83 Crores after revenues of subsidiary, and addition of a share of profits from Joint Ventures.

Coming to the results, on a standalone basis your Company is still in process of setting up and channelising the resources for achieving and executing the services contract in its new Business line, thus as such there is no operational parameters to review the performance. The Company on standalone basis has reported a loss of Rs.45.06 lacs, which is mainly due to Merger expenses incurred for takeover of business of Leadsoft Softech Pvt Ltd.

Investments made in the business and the strategy charted out by the Company will definitely catapult the Company into higher growth trajectory in the coming days.

**E) Risks and concerns.**

Risks that the Company faces are those which others in our Industry face. The Company monitors these risks consistently and periodically. Business risks faced by the Company include reduction in IT budgets by target customers, currency volatility, geo political risks etc.

The protection of valuable intellectual property and business information in digital form against theft and misuse is an increasingly critical management issue, and other concerns is regarding the human resources aspects.

**F) Outlook**

Increase in global technology spending and opportunities are expected to propel growth in FY 2014-15. IT spending is expected to significantly increase in verticals like Telecom, Public infrastructure, Education and healthcare which will create a transformational impact on the overall economy

**G) Internal control systems.**

Your company has deployed adequate Internal Control Systems (ICS) in place considering the size of the business, to ensure a smooth functioning of its business. The existing internal control systems and their adequacy will be frequently reviewed and improved upon to meet the changing business environment.

**H) Financial & Operational Performance.**

As discussed earlier, the Company is still in process of setting up and channelising the resources, thus as such there is no operational parameters to review the performance. Whereas the key financials figures have been already provided in the directors' report.

**I) Human Resources.**

Since, the management has recently acquired a Company as stated above and is working towards organizing and establishing its business activities, it is in process of recruiting & developing human resource and various other policies.

**J) 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.

For & on behalf of the Board of Directors of  
N2N TECHNOLOGIES LIMITED  
Sd/-  
Rahul Shah  
Director

**COMPLIANCE CERTIFICATE**

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

**Co Regd no** : L72900PN1985PLC145004  
**Auth Cap** : Rs. 55,000,000/-  
**Paid-Up Cap** : Rs. 44,080,660/-

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 (Formerly known as Visisth Mercantile Limited)** as required to be maintained under the Companies Act, 1956, (the Act) and other applicable provisions of Companies Act, 2013 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 **31/03/2014**. 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 meets for Six times on 10/05/2013, 27/05/2013, 02/08/2013, 24/10/2013, 21/12/2013 and 05/02/2013 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 17/09/2013 to 24/09/2013 (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 31/03/2013 was held 24/09/2013 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.
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 was not required to make any 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:
  - Has made an allotment of 2, 66,666 Equity Shares on 10/05/2013 consequent to conversion of debentures, and allotment of 13,41,400 Equity Shares on 21/12/2013 consequent upon merger as approved by Hon'ble High Court vide its Order dated 29/10/2013 and also delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act during the financial year.
  - 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.
  - Has duly transferred Rs. 12835 towards unpaid and unclaimed dividend for the year 2005-2006 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. During the year under review, the Company obtained approval from Hon'ble High Court for merger of Leadsoft Softech Private Limited with the Company and necessary approvals from Registrar of Companies, Regional Director, and other authorities prescribed under the provisions of the Act were obtained by the company 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. During the financial year the Company has issued 2, 66,666 Equity Shares upon conversion of Debentures. Further company has allotted 13,41,400 Equity Shares in accordance with scheme of amalgamation approved by Hon'ble High Court of Bombay .
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 not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to other states during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum 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 not altered its Articles of Association 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.  
Sd/-  
Divya Momaya  
Proprietor  
Company Secretaries  
FCS: 7195 CP: 7885

Place: Navi Mumbai  
Date: 30.05.2014

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 to the Compliance Certificate  
**ANNEXURE – “B”**

Forms and Returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2014

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 2	Section 75 (1)	Allotment of 266666 Equity Shares of Rs. 10/- each allotted on 10/05/2013	09/06/2013	Yes	No
2.	Form 2	Section 75 (1)	Allotment of 1341400 Equity Shares of Rs. 10/- each allotted on 21/12/2013	30/12/2013	Yes	No
3.	Form 21	17A	For the amalgamation of Leadsoft Softech Private Limited with N2N Technologies Limited and their respective shareholders	29/11/2013	Yes	No
4.	Compliance Certificate E Form 66	383A	For the F.Y. ended 31/03/2013	08/10/2013	Yes	No
5.	Form 23ACA 23AC XBRL	220	Annual Accounts F.Y. ended 31/03/2013 in XBRL Mode	22/10/2013	Yes	No
6.	Form 20B	159	Annual Return as per Schedule V for F.Y. ended 31/03/2013 and for AGM held on 24/09/2013	22/10/2013	Yes	No

**CORPORATE GOVERNANCE REPORT****1. PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is a set of systems which ensure that the affairs of the Company are being managed to maximize stakeholders' value. The Company has inherited legacy of social responsibility to all stakeholders of the Company. Further, it is committed to implement sound corporate governance practices to ensure transparency in its operations and maximize stakeholders' value.

Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency and independence in its decision making. The Company has complied with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The disclosure requirements of Clause 49 of the Listing Agreement are given in this report.

**2. THE BOARD OF DIRECTORS**

The Board of Directors has a combination of Executive and Independent Directors. Independent Directors help to maintain the independence of the Board and separate the Board functions of governance and management.

The Board consists of four Directors consisting of 1 Executive Directors, 3 Independent Directors. The Chairman of the Board is an Executive Director. No member of the Board is member of more than ten Committees or Chairman of more than five Committees. Further, no Director is related to each other.

During the year under review 6 (Six) Board meetings were held on 10<sup>th</sup> May 2013, 27<sup>th</sup> May 2013, 2<sup>nd</sup> Aug 2013, 24<sup>th</sup> Oct 2013, 21<sup>st</sup> Dec 2013 and 5<sup>th</sup> Feb 2013 to transact various business items. The gap between any two Board Meetings does not exceed four months.

Following are the details of Directors, their attendance at Board Meetings, Membership of Committees and last Annual General Meeting.

Name of the Director	Category	No. of Meetings attended in the Financial Year 2013-14	Attendance at the last AGM	Directorship in Companies/Subsidiaries of Public co. including our Company*		Positions held in Committees of Public Companies including our Company**		No. of equity shares held as on 31.03.2014
				Chairman	Member	Chairman	Member	
Mr. Rahul Shah (DIN : 01545609)	Executive	4	Yes	1	1	0	0	13,91,480
Mr. Rajesh Shah (DIN : 00079576)	Independent	6	Yes	0	2	2	1	Nil
Mr. Haren Parekh (DIN : 00004883)	Independent	5	Yes	0	0	0	0	Nil
Mr. Jayesh Desai (DIN : 05197040)	Independent	6	Yes	0	0	0	0	Nil

\* It does not include : a) Private Company b) section 25 'Company' under the Companies Act and c) LLPs

\*\* It includes positions held only in Audit Committees & Shareholders' / Investors' Grievance Committees only.

**Note:** Information disclosed in above table has been taken from latest disclosures submitted by the Directors to the Board under Section 184 of the Companies Act, 2013.

**Compensation paid to directors in FY 2013-14**

Following are the details of compensation paid to Directors during the financial year ending on March 31, 2014.

Name of the Director	Basic Salary	House Rent Allowance	Conveyance Allowance	Book Allowance	Education Allowance	Sitting Fees	Perquisites	Others	Total (Rs. in lacs)
Mr. Rahul Shah	-	-	-	-	-	0.40	-	-	0.40
Mr. Rajesh Shah	-	-	-	-	-	0.90	-	-	0.90
Mr. Haren Parekh	-	-	-	-	-	0.70	-	-	0.70
Mr. Jayesh Desai	-	-	-	-	-	0.90	-	-	0.90

**Code of Conduct**

The Company has adopted a Code of Conduct for the Board and Senior Management pursuant to Clause 49 of the Listing Agreement. The Company has obtained declaration from Directors and Senior Management Personnel(s) affirming their compliance to the Code of Conduct for the current year. The Chairman has affirmed to the Board of Directors that this Code of Conduct has been complied by the Board Members and Senior Management Personnel(s) and a declaration to that effect forms part of this report.

**3. THE COMMITTEES OF THE BOARD**

The Board has constituted following committees.

- Audit Committee
- Shareholders' / Investors' Grievance Committee
- Merger committee (Non-Mandatory committee)

**A. Audit Committee**

The Audit Committee comprises of three Independent Directors. The Chairman of the Committee is an Independent Director. There were 3 (three) meetings of the Committee held during the year.

The terms of reference of the Audit Committee include ensuring compliance with statutory and regulatory provisions, discussions on quarterly, half yearly and annual financial results, interaction with senior management, statutory and internal auditors, recommendation for re-appointment of auditors etc as per clause 49 of the listing agreement.

The details of the composition of the committee and attendance at its meetings are set out in the following table:

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of Meetings Attended During the Year
Mr. Rajesh shah	Chairman	Independent Director	3
Mr. Haren Parekh	Member	Independent Director	2
Mr. Jayesh Desai	Member	Independent Director	3

**B. Shareholders' / Investors' Grievance, Share Allotment and Share Transfer Committee**

The Shareholders' / Investors' Grievance Committee consists of three Directors. It includes all 3 Independent Directors. The main function of the Committee is to look into the redressal of shareholders grievances and oversee activities relating physical share transfer & issue of share certificates. Following are the details of composition of the Shareholders' / Investors' Grievance Committee.

Name of the Director	Designation in the Committee	Nature of Directorship in the Company	No. of Meetings Attended During the Year
Mr. Jayesh Desai	Chairman	Independent Director	3
Mr. Haren Parekh	Member	Independent Director	2
Mr. Rajesh shah	Member	Independent Director	3



During the Financial Year 2013-14, no complaints were received from the Shareholders .

#### B. Merger Committee

The Board constituted Merger Committee on 24th September 2012, to give effect to various activities required for Amalgamation of the Company with M/s Leadsoft Softech Pvt Ltd. It consists of 4 Directors, which includes all 3 Independent Directors and Mr. Rahul Shah (Executive director). The main function of the Committee is to perform all the routine administrative & Legal activities of the Merger as delegated to it by the Board. The Merger Committee shall be deemed to be automatically dissolved once shares consequent to merger has been listed on the stock exchange.

#### 4. GENERAL BODY MEETINGS

A. The details of last three years Annual General Meetings (AGMs) held are as below:

Financial Year	Date & Time of Meeting	Details of Location
2012-13	24/09/2013 12.30 P. M.	101, P-1, Pentagon, Magarpatta city Hadapsar , Pune-411013
2011-12	21/09/2012 03.00 P.M.	'Courtyard', CTS 215 Mumbai International Airport, Andheri-Kurla Road, Andheri (e), Mumbai- 400059.
2010-11	30/09/ 2011 10.30 A. M.	13/103, Indra Darshan-11, Oshiwara New Link road, Andheri (w) Mumbai - 400053.

B. No Special Resolution(s') was passed at the last three Annual General Meetings as detailed above.

C. There were no Postal Ballots conducted during the financial year 2013-2014.

#### 5. DISCLOSURES

- i. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Statement as per accounting standard (AS-18) for related party transactions has been provided in the notes to accounts.
- ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities, on any matter related to capital markets during last 3 years.
- iii. The Company has adopted the code for prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) regulations, 1992
- iv. The company has complied with the mandatory requirements prescribed in annexure IC to the Clause 49 of the Listing Agreement.
- v. The Company has not adopted any Whistle Blower Policy. However employees can raise their concern regarding any instance of fraud or unethical behaviour to the attention of their immediate reporting authority & Audit committee.
- vi. Certificate from the statutory Auditors regarding compliance of conditions of corporate governance as stipulated in the Clause 49 have been obtained and the same is included in this Annual Report.

#### 6. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly results of the Company are published in the newspapers which includes Business Standard & Prabhat. The results of the Company are also posted on the website of the Company, [www.n2ntechno.com](http://www.n2ntechno.com).

#### 7. GENERAL SHAREHOLDER INFORMATION

##### A. Annual General Meeting (Date, Time & Venue)

Date	Time	Venue
25 <sup>th</sup> September, 2014 Thursday	3:00 P.M.	At 101, P-1, Pentagon, Magarpatta city, Hadapsar, Pune- 411013 Maharashtra, India

**B. Financial Year“**01<sup>st</sup> April, 2013 to 31<sup>st</sup> March 2014**C. Date of Book Closure :**From 20<sup>th</sup> September, 2014 to 25<sup>th</sup> September, 2014 (Both days inclusive)**D. Listing on Stock Exchanges :**

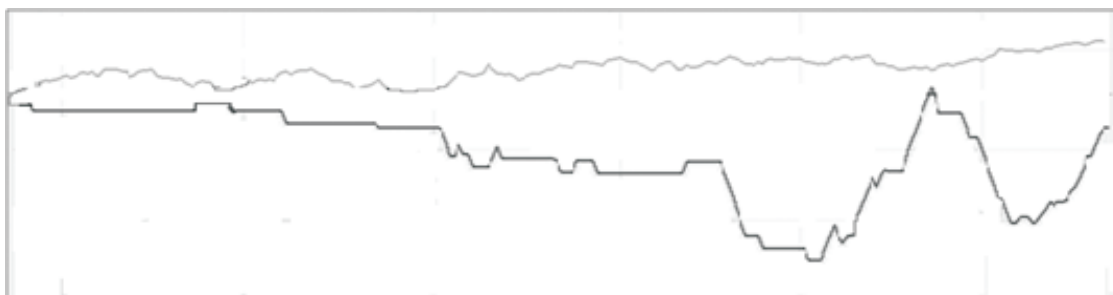
The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) with the scrip code : 512279. The ISIN of the Company is INE043F01011. Till date the Company has not paid the Annual Listing Fees for FY 2014-15 to the Stock Exchange.

**E. Monthly high & low quotation of the Company's equity share :**

Stock market data on Bombay Stock Exchange Limited. (Share prices in Rs.)

Month	Share Quotation		No. of Shares Traded	N2N v/s BSE Sensex	
	High Price	Low Price		N2N ( closing)	BSE(closin
April-13	64.00	60.05	2078	60.05	19504.18
May-13	60.05	60.05	0	60.05	19760.30
June-13	63.00	59.90	33001	60.00	19395.81
July-13	60.00	57.00	33600	57.00	19345.70
August-13	56.00	56.00	250	56.00	18619.72
September-13	55.00	47.75	31026	49.40	19379.77
October-13	49.10	46.65	8450	46.65	21164.52
November-13	48.95	48.95	100	48.95	20791.93
December-13	48.50	32.65	9833	47.00	21170.68
January-14	47.80	34.35	80333	34.35	20513.85
February-14	69.20	48.00	25662	53.85	21120.12
March-14	51.20	37.10	81708	41.60	22386.27

## II. Bombay Stock Exchange Limited v/s N2N Share price comparative movement chart



Apr 2013

June'13

Sept '13

Dec'13

March'14

N2N Share Price= Black    BSE Sensex = Grey

**F. Shareholding Pattern :**

The Shareholding Pattern as on 31<sup>st</sup> March, 2014 of the Company is as mentioned below:

Sr. No.	Category of Shareholder	No. of Shares Held	Percentage of total Shareholding
1.	Promoters & Promoter Group	16,25,980	36.89
2.	Foreign Bodies/NRI/OCB/NR	1,25,250	2.84
3.	Clearing Members	37,786	0.86
4.	Bodies Corporate	16,10,686	36.54
5.	Resident Individuals	10,08,364	22.87
	<b>Total</b>	<b>44,08,066</b>	<b>100.00</b>

**G. Dematerialisation of shares :**

Out of the total 44,08,066 issued shares 30,49,646 (69.18%) shares has been dematerialised & Listed, whereas balance 13,58,420 (30.82%) shares are still in process of Listing & Dematerialisation.

**H. Investor Correspondence :**

A Stakeholders can forward complaints or queries to the following address for timely redressal of their queries:

Compliance Officer  
N2N Technologies Limited

Corporate Office No. 101,P-1, Pentagon, Magarpatta City,  
Hadapsar, Pune 411013.  
Tel No. +91 -020-30525201,  
Fax No. +91-020-30547400  
Email: investors@n2ntechno.com

Registrar & Share Transfer Agent  
Universal Capital Securities Private Limited

Shakil Niwas, Opp.Satya Sai temple  
Mahakali Caves Road, Andheri (e), Mumbai – 400093.  
Tel: +91 (22) 2820 7203-05 / 2825 7641,  
Email: info@unisec.in

In terms of Clause 47 of the Listing Agreement, the designated email address for investor complaints is investors@n2ntechno.com.

**8. Green Initiative :**

Company has already taken keen initiative to send notices, annual reports etc. to the shareholders at their email address as registered with Depository Participants (DPs)/ Registrar & Transfer Agent. This is in pursuance of circular issued by Ministry of Corporate Affairs which allows to companies to send notices to shareholders through electronic mode. Shareholders are requested to register/update their e-mail address with their concerns DPs.

**9. CEO Certificate :**

I, Rahul Shah, executive Promoter & Director of the Company, do hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management of N2N Technologies Limited for the financial year 2013-14.

For & on behalf of the Board of Directors of  
N2N TECHNOLOGIES LIMITED

Sd/-  
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 M. Rushikesh, Chief Financial Officer 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, 2014 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. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 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 and the Audit Committee, 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 and the Audit Committee;
  - (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.

**Rahul Shah**  
Director  
Place : Illinois  
Date : 16<sup>th</sup> May 2014

**M. Rushikesh**  
Chief Financial Officer  
Place : Pune  
Date : 18<sup>th</sup> May 2014

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by **N2N Technologies Limited** ("the company"), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned listing agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DMKH & Co**  
Chartered Accountants  
(ICAI Registration No.: 116886W)

**Manish Kankani**  
(ICAI Membership No.: 158020)  
Place : Mumbai  
Date : 14/08/2014

## Independent Auditors' Report

**To the Members of  
N2N TECHNOLOGIES LIMITED.**

### Report on the Financial Statements

We have audited the accompanying financial statements of **N2N TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 read with general circular No.15/2013 dated 13th September, 2013 of Ministry of Company Affairs in respect section 133 of the Companies Act, 2013 ("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.

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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.

### Report on Other Legal and Regulatory Requirements

- i. 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.
- ii. 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 read with general circular No.15/2013 dated 13th September, 2013 of Ministry of Company Affairs in respect section 133 of the Companies Act, 2013 (“the Act”);
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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. No. 116886W**

**CA. Manish Kankani**  
**Partner**  
M.No. 158020  
Place: Mumbai  
Date: 30/05/2014

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT****Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- 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) According to the information and explanations given to us and on the basis of our examination of the books of account, 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.2,80,69,367/- and the year-end balance was Rs 2,61,71,946/-.
  - 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. 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 except TDS Interest amounting to Rs. 87,032/- and penalty for late filing of AIR amounting to Rs. 35,000/- which was paid in this particular year.
- 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, 2014 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 or 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 or 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 not issued any Optionally Convertible Debentures during the year.
- 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. Manish Kankani  
Partner  
M.No. 158020  
Place: Mumbai  
Date: 30/05/2014



**N2N TECHNOLOGIES LIMITED**  
**(FORMERLY VISISTH MERCANTILE LIMITED)**  
**BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars		Note No.	As at 31 March, 2014	As at 31 March, 2013
			Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	4,40,80,660	2,80,00,000
	(b) Reserves and surplus	3	14,34,17,657	3,25,97,922
			<b>18,74,98,317</b>	<b>6,05,97,922</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	2,50,000	2,50,000
	(b) Deferred tax liabilities		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions		-	-
			<b>2,50,000</b>	<b>2,50,000</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	100	4,00,00,000
	(b) Trade payables	6	49,19,524	49,51,366
	(c) Other current liabilities	7	26,820	6,91,436
	(d) Short-term provisions	8	2,27,179	2,27,179
			<b>51,73,623</b>	<b>4,58,69,981</b>
	<b>TOTAL</b>		<b>19,29,21,940</b>	<b>10,67,17,902</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	6,04,819	8,14,559
	(ii) Intangible assets		9,47,49,028	-
	(iii) Capital work-in-progress		-	-
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			<b>9,53,53,847</b>	<b>8,14,559</b>
	(b) Non-current investments	10	3,24,50,000	3,24,50,000
	(c) Deferred tax assets (net)		27,55,445	27,55,445
	(d) Long-term loans and advances		-	-
	(e) Other non-current assets		-	-
			<b>3,52,05,445</b>	<b>3,52,05,445</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) increase or decrease in stock in trade	11	5,44,390	6,11,052
	(c) Trade receivables	12	87,65,389	79,47,705
	(d) Cash and cash equivalents	13	97,999	1,20,692
	(e) Short-term loans and advances	14	5,25,06,928	6,16,61,360
	(f) Other current assets	15	4,47,942	3,57,089
			<b>6,23,62,648</b>	<b>7,06,97,898</b>
	<b>TOTAL</b>		<b>19,29,21,940</b>	<b>10,67,17,902</b>
	<b>Significant Accounting Policies</b>	1		
	<b>The accompanying notes are an integral part of the financial statements</b>			

In terms of our report attached.

**For DMKH & Co.**  
Chartered Accountants  
FRN:- 116886W

**Manish Kankani**  
M. No:158020  
Place : Mumbai  
Date :30/05/2014

**For and on behalf of the Board of**  
**N2N Technologies Ltd.**

Rahul Shah  
**Director**

Haren Parekh  
**Director**

**N2N TECHNOLOGIES LIMITED**  
**(FORMERLY VISISTH MERCANTILE LIMITED)**  
**STATEMENT FOR PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2014	31 March, 2013
			Rs.	Rs.
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)		-	-
2	Other income	16	9,12,037	10,93,129
3	<b>Total revenue</b>		<b>9,12,037</b>	<b>10,93,129</b>
4	<b>Expenses</b>			
	(a) Changes in inventories/stock in trade	17	66,662	3,32,533
	(b) Employee benefits expense	18	2,92,636	-
	(c) Finance costs		-	-
	(d) Depreciation and amortisation expense	9	2,09,740	2,83,268
	(e) Other expenses	19	47,95,955	53,30,415
	<b>Total expenses</b>		<b>53,64,993</b>	<b>59,46,216</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>-44,52,956</b>	<b>-48,53,087</b>
6	Exceptional items		-	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>-44,52,956</b>	<b>-48,53,087</b>
8	Prior Period Exp		49,545	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>-45,02,501</b>	<b>-48,53,087</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year			-
	(b) (Less): MAT credit (where applicable)		-	0
	(c) Current tax expense relating to prior years		-	90,918
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	29,92,386
			-	<b>-29,01,468</b>
11	<b>Profit / (Loss) for the year</b>		<b>-45,02,501</b>	<b>-19,51,619</b>
12	<b>Earnings per share (of Rs. 10/- each):</b>			
	(a) Basic		-1.02	-0.70
	(b) Diluted		-1.02	-0.64
<b>The accompanying notes are an integral part of the financial statements</b>				

In terms of our report attached.

**For DMKH & Co.**

Chartered Accountants

FRN:- 116886W

**For and on behalf of the Board**

**N2N Technologies Ltd.**

**Manish Kankani**

**M.No : 158020**

Place : MUMBAI

Date : 30/05/2014

**Rahul Shah**

Director

**Haren Parekh**

Director

## Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		-45,02,501		-19,51,619
<i>Adjustments for:</i>				
Depreciation and amortisation	2,09,740		2,83,268	
Interest income	-9,08,537		-10,86,129	
Dividend Income	-3,500		-7,000	
Deferred tax Asset	0		-29,92,386	
		-7,02,297		-38,02,247
Operating profit / (loss) before working capital changes		-52,04,798		-57,53,866
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	66,662		3,32,533	
Trade receivables	-8,17,684		-9,76,955	
Short-term loans and advances	91,54,432		-24,94,959	
Other current Assets	-90,853		4,84,809	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-31,843		-3,28,964	
Other current liabilities	-6,64,616		5,91,216	
Other long-term liabilities				
Short-term provisions	0		-5,02,503	
Long-term provisions				
Cash flow from extraordinary items		76,16,099		-28,94,823
Cash generated from operations		-		-
Net income tax (paid) / refunds		24,11,300		-86,48,689
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>24,11,300</b>		<b>-86,48,689</b>
<b>B. Cash flow from investing activities</b>				
Loans Taken				
- Others	-3,99,99,900		4,00,00,000	
Purchase of fixed assets - merger	0		-3,24,50,000	
Dividend Income	3,500		7,000	
Interest Income	9,08,537		10,86,129	
		-3,90,87,863		86,43,129
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-3,90,87,863		86,43,129
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-3,90,87,863</b>		<b>86,43,129</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of share capital/premium		13,14,02,896		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>13,14,02,896</b>		<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>9,47,26,335</b>		<b>-5,560</b>
Cash and cash equivalents at the beginning of the year		1,20,692		1,26,252
<b>Cash and cash equivalents at the end of the year</b>		<b>9,48,47,027</b>		<b>1,20,692</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		<b>97,999</b>		<b>1,20,692</b>

## 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

For and on behalf of the Board of  
N2N Technologies Ltd

**Manish Kankani**  
M.No : 158020  
Place : MUMBAI  
Date : 30/05/2014

**Rahul Shah**  
Director

**Haren Parekh**  
Director

**N2N TECHNOLOGIES LIMITED**  
(FORMERLY VISISTH MERCANTILE LIMITED)

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

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs.	Number of shares	Rs.
<b>(a) Authorised:</b> 55,00,000 Equity Shares of Rs. 10/- each (Previous year 55,00,000 Equity Shares of Rs 10/- each)	55,00,000	5,50,00,000	55,00,000	5,50,00,000
<b>(b) Issued, subscribed and fully paid-up shares:</b> 44,08,066 Equity Shares of Rs. 10/- each fully paid up (Previous Year 28,00,000 Equity Shares of Rs. 10/- each)	44,08,066	4,40,80,660	28,00,000	2,80,00,000
<b>Total Issued, subscribed and fully paid-up shares</b>	<b>44,08,066</b>	<b>4,40,80,660</b>	<b>28,00,000</b>	<b>2,80,00,000</b>

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

	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs.	Number of shares	Rs.
Equity Shares				
At the beginning of the year	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Issued during the year	16,08,066	1,60,80,660.00	-	-
Outstanding at the end of the year	44,08,066	4,40,80,660	28,00,000	2,80,00,000

NB: 1) 2,66,666 equity shares were issued on 10/5/13@ Rs. 150/- a share upon conversion of 2,66,666 0% unsecured Optionally Convertible Debentures.

2) 13,41,400 equity shares of Rs.10/- each were issued on 21/12/2013 to the shareholders and debentureholders of Leadsoft Softech P Ltd as per the sanctioned scheme of Amalgamation by the Hon'ble Bombay High Court.

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

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	% Shareholding	Number of shares	% Shareholding
NISHI KANT SARAWGI	-	-	2,01,000	7.18
RAHUL DILIP SHAH	13,91,480	31.57	12,58,840	44.96
REKHA RANI SARAWGI	2,34,500	5.32	2,34,500	8.38
SHASHITHA ADVISORS PRIVATE LIMITED	8,71,400	19.77	-	-
VIJAY CHHEDA	2,66,666	6.05	-	-
<b>TOTAL [ 5% &amp; above ]</b>	<b>27,64,046</b>	<b>62.71</b>	<b>16,94,340</b>	<b>60.52</b>

**(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 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.

N2N TECHNOLOGIES LIMITED  
(FORMERLY VISISTH MERCANTILE LIMITED)

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE 3: RESERVES AND SURPLUS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Securities Premium account (As per last Balance Sheet)	14,62,04,086	3,08,81,850
<b>Closing balance</b>	<b>14,62,04,086</b>	<b>3,08,81,850</b>
(b) General reserve		
Opening balance	17,16,072	36,67,691
Add: Transferred from surplus in Statement of Profit and Loss	-45,02,501	-19,51,619
Less: Utilised / transferred during the year for:	-	-
<b>Closing balance</b>	<b>-27,86,429</b>	<b>17,16,072</b>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	-45,02,501	-19,51,619
Less: Profit / (Loss) transfer to General Reserve	-45,02,501	-19,51,619
Closing balance	-	-
<b>Total</b>	<b>14,34,17,657</b>	<b>3,25,97,922</b>

**NOTE 4 - LONG TERM BORROWINGS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(b) Other loans and advances (From Corporate)		
Unsecured		
Tapas Pharmachem Ltd	2,50,000	2,50,000
<b>Total</b>	<b>2,50,000</b>	<b>2,50,000</b>

**NOTE 5 - SHORT TERM BORROWINGS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Bonds / debentures		
Unsecured		
Optionally Convertible Debentures-Vijay Chheda (Refer Note-22)	-	3,99,99,900
Vijay Chheda	100	100
<b>Total</b>	<b>100</b>	<b>4,00,00,000</b>

**NOTE- 6 TRADE PAYABLES**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>Trade payables:</b>		
Acceptances	-	-
Other than Acceptances		
DMKH & Co.	1,66,493	2,27,167
Salary Payable	1,02,832	74,000
Professional Fees Payable	16,545	16,545

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## NOTE-7 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Unclaimed dividends	-	12,835
(b) Other payables		
Statutory remittances	8804	6,12,464
Expenses Payable	18,016	8,018
Subala Communications Pvt. Ltd.	-	48,181
Bank overdraft	-	9,938
<b>Total</b>	<b>26,820</b>	<b>6,91,436</b>

## NOTE-8 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>Provision - Others:</b>		
Provision for tax	2,27,179	2,27,179
<b>Total</b>	<b>2,27,179</b>	<b>2,27,179</b>

## NOTE-9 FIXED ASSETS

A.	Tangible assets	Gross Block			Accumulated depreciation and impairment			Net block	
		Balance as at 1st April, 2013	Additions/ Deletions	Balance as at 31st March, 2014	Balance as at 1st Apr, 2013	Depreciation for the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Furniture & Fixtures	91,351		91,351	90,129	220	90,349	1,002	1,222
	(b) Vehicles-Motor Car	24,70,559		24,70,559	16,77,793	2,05,248	18,83,041	5,87,518	7,92,766
	(c) Printer	10,250		10,250	10,192	24	10,216	34	58
	(d) Computers	26,720		26,720	21,379	2,136	23,515	3,205	5,341
	(e) Air Conditioner	99,960		99,960	84,788	2,112	86,900	13,060	15,172
	<b>Total</b>	<b>26,98,840</b>	<b>-</b>	<b>26,98,840</b>	<b>18,84,281</b>	<b>2,09,740</b>	<b>20,94,021</b>	<b>6,04,819</b>	<b>8,14,559</b>
	<b>Previous year</b>	<b>26,98,840</b>	<b>-</b>	<b>-</b>	<b>16,01,013</b>	<b>2,83,268</b>	<b>18,84,281</b>	<b>8,14,559</b>	<b>10,97,827</b>

A.	Intangible assets	Gross Block			Amortization			Net block	
		Balance as at 1st April, 2013	Additions/ Deletions	Balance as at 31st March, 2014	Balance as at 1st Apr, 2013	Amortisation for the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(f) Goodwill		32,47,028	32,47,028	-	-	-	32,47,028	-
	(g) IPR		9,15,02,000	9,15,02,000	-	-	-	9,15,02,000	-
	<b>Total</b>	<b>-</b>	<b>9,47,49,028</b>	<b>9,47,49,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,47,49,028</b>	<b>-</b>
	<b>Previous year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF FINANCIAL STATEMENT :

**NOTE-10 NON CURRENT INVESTMENT**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(Quoted)	-	-
(Unquoted)		
<b>A.Long Term Investments (at Cost)</b>		
(a) Investment in equity instruments:		
<b>DSR Infotech Private Limited (Subsidiary )</b>		
(3,24,500 shares of Rs.100/- each)	3,24,50,000	3,24,50,000
(Refer Note:-21)		
	<b>32450000</b>	<b>32450000</b>

**NOTE- 11 Increase or decrease in stock in trade**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Stock-in-trade of Shares	5,44,390	6,11,052
ELPRO International Limited(6 shares @ Rs.315)		
JMD TELEFILMS IND. LTD (70,000 shares @ Rs.7.75)		
<b>Total</b>	<b>5,44,390</b>	<b>6,11,052</b>

**NOTE- 12 TRADE RECEIVABLES**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	87,65,389	79,47,705
Doubtful	-	-
	<b>87,65,389</b>	<b>79,47,705</b>

## N2N TECHNOLOGIES LTD

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## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE- 13 CASH & CASH EQUIVALENTS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Cash on hand	17,647	17,707
(b) Balances with banks		
(i) In current accounts	75,082	84,880
(ii) In earmarked accounts		
- Unclaimed dividend accounts	5,270	18,105
<b>Total</b>	<b>97,999</b>	<b>1,20,692</b>

(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. The Unpaid Dividend has now been deposited in the Investor Protection Fund. 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, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Loans and advances to related parties		
Unsecured, considered good		
DSR Infotech Private Limited	2,61,71,946	2,65,70,477
	<b>2,61,71,946</b>	<b>2,65,70,477</b>
(b) Others-(Recoverable in cash or kind)		
Unsecured, considered good		
Rushi Construction	10,00,000	10,00,000
Soni & Associates	5,00,000	5,00,000
Sanjog Developers	1,89,89,222	1,89,89,222
Inga Capital Private Limited	-	27,57,500
Leadsoft Softech Private Ltd	-	56,08,250
Leadsoft Solutions Pvt Ltd	9,68,581	13,50,000
SDL Trading Pvt Ltd	25,00,000	25,00,000
Tisya Financial Services Private Limited	21,50,000	21,50,000
Macwell Services	-	1,289
NEHA RAJEN GADA	-	7,443
MAT Credit entitlement	2,27,179	2,27,179
Doubtful	-	-
	<b>2,63,34,982</b>	<b>3,50,90,883</b>
Less: Provision for other doubtful loans and advances	-	-
	<b>2,63,34,982</b>	<b>3,50,90,883</b>
<b>Total</b>	<b>5,25,06,928</b>	<b>6,16,61,360</b>

**NOTE- 15 OTHER CURRENT ASSETS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(d) Others		
(iv) Others (specify nature)		
TDS Receivable	4,47,942	3,57,089
<b>Total</b>	<b>4,47,942</b>	<b>3,57,089</b>



## N2N TECHNOLOGIES LTD

## NOTES FORMING PART OF FINANCIAL STATEMENTS

**NOTE- 16 OTHER INCOME**

	Particulars	For the year ended	For the year ended 31
		31 March, 2014	March, 2013
		Rs.	Rs.
(a)	Interest income (TDS Rs.1,08,612/-)	9,08,537	10,86,129
(b)	Dividend income	3,500	7,000
(c)	Other non-operating income	-	-
<b>Total</b>		<b>9,12,037</b>	<b>10,93,129</b>

**NOTE -17 CHANGES IN INVENTORY/STOCK IN TRADE**

	Particulars	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
		Rs.	Rs.
(a)	Opening Stock	6,11,052	9,43,585
	Add: Purchases	-	-
		<b>6,11,052</b>	<b>9,43,585</b>
	Less: Closing Stock	5,44,390	6,11,052
	<b>Cost of Goods Sold</b>	<b>66,662</b>	<b>3,32,533</b>
<b>Total</b>		<b>66,662</b>	<b>3,32,533</b>

**NOTE- 18 EMPLOYEE BENEFIT EXPENSES**

		For the year ended	For the year ended 31
		31 March, 2014	March, 2013
		Rs.	Rs.
(a)	Salaries and wages	2,92,636	-
(b)	Staff Welfare Expenses	-	-
		<b>2,92,636</b>	<b>-</b>

**NOTE- 19 OTHER EXPENSES**

Particulars	For the year ended 31	For the year ended 31
	March, 2014	March, 2013
	Rs.	Rs.
AGM/Shareholding Meeting Expenses	12,322	-
Advertisement Expenses	1,59,662	1,43,087
Audit Fee (as per below note (i))	90,164	73,034
Bank Charges	13,483	13,483
BSE Listing Fees	16,854	16,854
Annual Custody Fees	13,482	-
Profession Tax	2,500	-
Filing Fees	44,973	2,49,689
Office Exp	14,309	7,766
Postage & courier Charges	9,206	58,535
Printing & Stationary	29,717	33,806
Legal & Professional Expenses	6,47,092	5,27,683
Amalgamation/Merger Expenses	26,13,000	39,49,454
RTA Charges	32,196	32,704
Director Sitting Fees	3,49,328	1,90,000
Other Interest (TDS)	87,032	34,320
Penalties	35,000	-
Loan written off	6,25,635	-
<b>Total</b>	<b>47,95,955</b>	<b>53,30,415</b>

**Other expenses (Note I)**

Particulars	Rs.	Rs.
(i) Payments to the auditors (net of service tax input credit, as applicable):		
As auditors - statutory audit	65,000	65,000
For other services	-	-
<b>Total</b>	<b>65,000</b>	<b>65,000</b>

**Notes forming part of financial statements****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  
- DSR Infotech Private Limited since 2<sup>nd</sup> November, 2012.

**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 / materialised.

**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.

**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 recognised 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.

**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.

### Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### Employee benefits

#### a) Contribution to Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

#### b) Gratuity

The company has policy for gratuity as a defined benefit liability. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss. Presently the company has no obligation towards it.

### Intangible assets and amortisation

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Acquired intangible assets consisting of technical know-how, patents and software, are recorded at acquisition cost and amortised on written down value basis @ 40%.

20. The merger of Leadsoft Softech Private Limited with the N2N Technologies Limited has been approved by Hon'ble Bombay High Court vide its order dated 25<sup>th</sup> of Oct. 2013. The appointed date is 1<sup>st</sup> Apr 2012. The Company has complied with applicable accounting standard while giving effect to the said merger.
21. During the year Company has allotted 13,41,400 equity shares of Rs. 10/- each @ Rs. 68.14 per share (including premium of Rs. 58.14 per share) to shareholders and Debenture holders of Leadsoft Softech Pvt. Ltd. Pursuant to the order of Hon. Bombay High Court.

22. Balances of Debtors, Loans and Advances, Secured & Unsecured Loans, Sundry Creditors & Others are subject to confirmation and reconciliation and consequential adjustments, if any.
23. 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.
24. Provision for retirement benefits to employees was not provided as it is not applicable to the Company.
25. 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.
26. 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.
27. **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.
28. **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
Rahul Dilip Shah	Director
DSR Infotech Pvt. Ltd.	One Common Director - Subsidiary

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, 2014

Particulars	Subsidiary Company	Key Management Personnel	Relative of Key Management Personnel	Investment in Partnership firm
<u>Remuneration and Incentives</u> Directors Sitting Fees (including Service Tax)	--	44,944	--	--
<u>Loan/Advance</u> Gross Loans/Advance Given	15,73,890		--	--
Loans Given – Refund Received	19,72,421		--	--
Debit Balance as on 31.03.2014	2,61,71,946		--	--
Investment as on 31.3.2014	3,24,50,000			

29. **Earnings Per Share (AS-20)**  
The Earning Per Share computed as per the requirement under Accounting Standard 20 on Earnings Per Share issued by The Institute of Chartered Accountant of India, is as under:

Particulars	2013-14 Amt (Rs.)	2012-13 Amt (Rs.)
Net profit/(Loss) after Tax as per P & L Account	(45,02,501)	(19,51,620)
Weighted Average No. of equity share outstanding	44,08,066	28,00,000
Basic Earnings per Share	(1.02)	(0.70)
Diluted Earnings per share	(1.02)	(0.64)

## 30. 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	2013-14 Amt (Rs.)	2012-13 Amt (Rs)
Opening Balance of Deferred Tax Liability	27,55,445	2,36,941
Add: Deferred Tax Asset during the Year	-	29,92,386
Closing Deferred Tax Asset/(Liability)	27,55,445	27,55,445

## 31. Earnings/Expenditure in Foreign Currency – NIL

32. The Company has not received the required information from suppliers regarding their status under the MSMED 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.

**For D M K H & CO.**

Chartered Accountants

Firm Registration No.116886W

**On behalf of the Board of****The N2N Technologies Ltd****Manish Kankani**

M. No:158020

Place : Mumbai

Date :30/05/2014

Rahul Shah

**Director**

Haren Parekh

**Director**

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

Name of subsidiary company	Financial year ended on	Date of becoming subsidiary	Currency	Paid up Capital	in interest in the subsidiary as of March 31, 2014 in %	For current financial year of the subsidiary		For previous financial years since it became a subsidiary	
						Aggregate profit/ (losses) not dealt with in the Holding	Aggregate profit/ (losses) dealt with in the Holding	Aggregate profit/ (losses) not dealt with in the Holding	Aggregate profit/ (losses) dealt with in the Holding
DSR Infotech Private Limited	31.03.2014	02.11.2012	INR	47,450,000	68.39	13,17,848	NIL	NIL	NIL

**Notes:**

- Indian Rupee equivalent figures have been arrived at by applying the year end inter-bank Exchange Rate
- DSR Infotech Private Limited's controlling stake in Catalyst Technologies Inc has come down to 50%

**SUMMARIZED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES UNDER SECTION SECTION 212 (8) OF THE COMPANIES ACT, 1956 (CIRCULAR NO. 5/12/2007-CL-III DATED 8TH FEBRUARY 2011)**

Sr. No.	Name	Country of Incorporation	Financial Year	currency	Capital	Reserves	Total Assets	Total Liabilities	Turnover	PBT	Prov. for Tax	PAT
1	DSR Infotech Private Limited	India	2013-14	INR	4,74,50,000	28,10,982	13,11,95,323	8,09,34,341	2,54,84,458	(13,17,848)	0	(13,17,848)

**Notes:**

- None of the above Subsidiaries have proposed any dividend.
- 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

Date :30/05/2014

For & on behalf of the Board of Directors of  
N2N TECHNOLOGIES LIMITEDSd/-  
Haren Parekh  
DirectorSd/-  
Rahul Shah  
Director

### **Independent Auditor's Report**

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, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of consolidated 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 the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with general circular No.15/2013 dated 13<sup>th</sup> September, 2013 of Ministry of Company Affairs in respect section 133 of the Companies Act, 2013 ("the Act"). 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 judgment, 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 fair presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the 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 the audit of one subsidiary, whose financial statements reflect total fixed assets (net) of Rs. 42,04,956/- as at March 31, 2014, total revenue (net) of Rs.3,10,34,538/- and net cash flow amounting to Rs. 1,61,480/- for the year ended on that date. These financial statements / consolidated financial statements have been audited by us whose report is also furnished.

Our opinion is not qualified in respect of other matters.

**For, DMKH & Co.**  
**Chartered Accountants**  
**FRN : 116886W**  
**CA. Manish Kankani**  
**Partner**  
M.No. 158020  
Place: Mumbai  
Date: 30/05/2014



**N2N TECHNOLOGIES LIMITED**  
**(FORMERLY VISISTH MERCANTILE LIMITED)**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars		Note No.	As at 31 March, 2014	As at 31 March, 2013
			Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	4,40,80,660	2,80,00,000
	(b) Reserves and surplus	3	19,94,78,541	24,00,36,979
	(c) Minority Interest		1,58,88,551	5,09,95,400
			<b>25,94,47,752</b>	<b>31,90,32,379</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	7,93,110	7,19,73,721
	(b) Deferred tax liabilities		-	-
	(c) Other long-term liabilities	5	-	2,03,96,250
	(d) Long-term provisions		-	-
			<b>7,93,110</b>	<b>9,23,69,971</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	4,53,56,590	43,21,86,346
	(b) Trade payables	7	1,14,30,859	3,77,35,330
	(c) Other current liabilities	8	23,78,280	1,37,50,030
	(d) Short-term provisions	9	2,27,179	2,27,179
			<b>5,93,92,908</b>	<b>48,38,98,885</b>
	<b>TOTAL</b>		<b>31,96,33,770</b>	<b>89,53,01,235</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	10	47,65,142	5,37,17,413
	(ii) Intangible assets		9,47,93,662	3,24,98,825
	(iii) Capital work-in-progress		2,31,00,000	2,31,00,000
	(iv) Intangible assets under development		-	-
	(v) Fixed assets held for sale		-	-
			<b>12,26,58,804</b>	<b>10,93,16,238</b>
	(b) Non-current investments		5,47,02,353	-
	(c) Deferred tax assets (net)		27,55,445	27,55,445
	(d) Long-term loans and advances	11	12,73,750	12,73,750
	(e) Other non-current assets	12	-	57,07,500
			<b>5,87,31,548</b>	<b>97,36,695</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	13	5,44,390	6,11,052
	(c) Trade receivables	14	6,97,67,799	57,46,28,162
	(d) Cash and cash equivalents	15	2,59,479	2,01,62,997
	(e) Short-term loans and advances	16	6,69,96,629	8,95,89,939
	(f) Other current assets	17	6,75,121	9,12,56,151
			<b>13,82,43,418</b>	<b>77,62,48,301</b>
	<b>TOTAL</b>		<b>31,96,33,770</b>	<b>89,53,01,235</b>
	<b>Significant Accounting Policies</b>	1		
	<b>The accompanying notes are an integral part of the financial statements</b>		-	0

In terms of our report attached.

**For DMKH & Co.**  
Chartered Accountants  
FRN:- 116886W

**For and on behalf of the Board of**  
**N2N Technologies Ltd**

**Manish Kankani**  
M. No:158020  
Place : Mumbai  
Date :30/05/2014

Rahul Shah  
Director

Haren Parekh  
Director

**N2N TECHNOLOGIES LIMITED**  
**(FORMERLY VISISTH MERCANTILE LIMITED)**  
**CONSOLIDATED STATEMENT FOR PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2014	31 March, 2013
			Rs.	Rs.
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)	18	2,54,84,458	2,00,20,76,129
2	Other income	19	64,62,117	36,93,800
3	<b>Total revenue</b>		<b>3,19,46,575</b>	<b>2,00,57,69,929</b>
4	<b>Expenses</b>			
	(a) Changes in inventories/stock in trade	20	66,662	1,62,05,61,217
	(d) Employee benefits expense	21	1,27,86,696	9,88,07,838
	(e) Finance costs	22	3,49,787	2,45,21,066
	(f) Depreciation and amortisation expense	10	17,25,713	96,53,937
	(g) Other expenses	23	2,27,88,521	13,50,41,884
	<b>Total expenses</b>		<b>3,77,17,379</b>	<b>1,88,85,85,942</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>-57,70,804</b>	<b>11,71,83,987</b>
6	Exceptional items - Prior Period Expenses		49,545	-
7	<b>Profit / (Loss) before extraordinary items and tax (5 ± 6)</b>		<b>-58,20,349</b>	<b>11,71,83,987</b>
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 ± 8)</b>		<b>-58,20,349</b>	<b>11,71,83,987</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		-	1,53,51,500
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	90,918
	(d) Net current tax expense		-	-
	(e) Deferred tax		-	29,92,386
			-	<b>1,24,50,032</b>
11	<b>Profit / (Loss) After tax</b>		<b>-58,20,349</b>	<b>10,47,33,955</b>
	Share of profit from Joint Venture		5,41,38,453	-
	<b>Minority Interest</b>		<b>-4,16,572</b>	<b>1,88,80,652</b>
12	<b>Profit / (Loss) for the year</b>		<b>4,87,34,676</b>	<b>8,58,53,303</b>
13	<b>Earnings per share (of Rs. 10/- each):</b>			
	(a) Basic		10.96	37.40
	(b) Diluted		10.96	34.15
	<b>The accompanying notes are an integral part of the financial statements</b>	1		

In terms of our report attached.

**For DMKH & Co.**

Chartered Accountants

FRN:- 116886W

**For and on behalf of the Board**

**N2N Technologies Ltd**

Rahul Shah  
Director

Haren Parekh  
Director

**Manish Kankani**

M. No:158020

Place : Mumbai

Date :30/05/2014

N2N TECHNOLOGIES LTD.  
Consolidated Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		4,87,34,676		10,17,41,569
<i>Adjustments for:</i>				
Foreign currency translation difference	-		-1,49,288	
Depreciation and amortisation	16,91,338		96,53,937	
Profit on Sale of Assets	-1,52,716		-18,682	
Interest paid	3,49,787		2,45,21,066	
Interest income	-9,08,537		-10,86,129	
Dividend Income	-3,500		-7,000	
		9,76,372		3,29,13,904
Operating profit / (loss) before working capital changes		4,97,11,048		13,46,55,473
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	66,662		3,32,533	
Trade receivables	50,48,60,363		-53,53,78,476	
Long- term loans and advances	-		29,66,500	
Short-term loans and advances	2,25,93,310		-61,07,655	
Other Non current Assets	57,07,500		23,81,555	
Other current Assets	9,05,81,030		-8,16,49,533	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Short - Term Borrowings	-38,68,29,756		32,95,05,994	
Trade payables	-2,63,04,471		3,26,36,357	
Other current liabilities	-1,13,71,750		9,10,813	
Short-term provisions	-		-5,02,503	
Long-term provisions	-		-	
		19,93,02,888		-25,49,04,415
Cash flow from extraordinary items		-		-
Cash generated from operations		24,90,13,936		-12,02,48,942
Net income tax (paid) / refunds				
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>24,90,13,936</b>		<b>-12,02,48,942</b>
<b>B. Cash flow from investing activities</b>				
Loans Taken				
- Others			15,01,36,432	
Investment in equity shares	-5,47,02,353		-3,24,50,000	
Dividend Income	3,500		7,000	
Purchase of Assets	-9,55,05,704		-8,80,19,447	
Sale of Assets	9,77,248		42,100	
Interest Income	9,08,537		10,86,129	
Business purchase	-12,47,05,731		12,97,01,929	
		-27,30,24,503		16,05,04,143
Cash flow from extraordinary items				-
		-27,30,24,503		16,05,04,143
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-27,30,24,503</b>		<b>16,05,04,143</b>
<b>C. Cash flow from financing activities</b>				
Repayment Of Car Loan	-		-1,65,318	
Interest On Loan/Debentures	-3,49,787		-2,45,21,066	
Share Application Money/Issue of fresh shares	1,60,80,660		44,39,000	
Share Premium on Issue of Fresh Shares	11,53,22,236		-	
Foreign Exchange Fluctuation	1,40,930		-	
Capital Reserve on Consolidation	-3,42,05,006		-	

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

On behalf of the Board of  
The N2N Technologies Ltd

**Manish Kankani**  
M. No:158020  
Place : Mumbai  
Date :30/05/2014

Rahul Shah  
Director

Haren Parekh  
Director

**N2N TECHNOLOGIES LIMITED**  
(FORMERLY VISISTH MERCANTILE LIMITED)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 2: SHARE CAPITAL**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs.	Number of shares	Rs.
<b>(a) Authorised:</b> 55,00,000 Equity Shares of Rs. 10/- each (Previous year 55,00,000 Equity Shares of Rs 10/- each)	<b>55,00,000</b>	<b>5,50,00,000</b>	<b>55,00,000</b>	<b>5,50,00,000</b>
<b>(b) Issued, subscribed and fully paid-up shares:</b> 44,08,066 Equity Shares of Rs. 10/- each fully paid up (Previous Year 28,00,000 Equity Shares of Rs. 10/- each)	44,08,066	4,40,80,660	28,00,000	2,80,00,000
<b>Total Issued, subscribed and fully paid-up shares</b>	<b>44,08,066</b>	<b>4,40,80,660</b>	<b>28,00,000</b>	<b>2,80,00,000</b>

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

	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Rs.	Number of shares	Rs.
Equity Shares				
At the beginning of the year	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Issued during the year	16,08,066	1,60,80,660	-	-
Outstanding at the end of the year	44,08,066	4,40,80,660	28,00,000	2,80,00,000

NB: 1) 2,66,666 equity shares were issued on 10/5/13@ Rs. 150/- a share upon conversion of 2,66,666 0% unsecured Optionally Convertible Debentures. 2) 13,41,400 equity shares of Rs.10/- each were issued on 21/12/2013 to the shareholders and debentureholders of Leadsoft Softech P Ltd as per the sanctioned scheme of Amalgamation by the Hon'ble Bombay High Court.

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

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	% Shareholding	Number of shares	% Shareholding
NISHI KANT SARAWGI	-	-	2,01,000	7.18
RAHUL DILIP SHAH	13,91,480	31.57	12,58,840	44.96
REKHA RANI SARAWGI	2,34,500	5.32	2,34,500	8.38
SHASHTHA ADVISORS PRIVATE LIMITED	8,71,400	19.77	-	-
VJAY CHHEDA	2,66,666	6.05	-	-
<b>TOTAL [ 5% &amp; above ]</b>	<b>27,64,046</b>	<b>62.71</b>	<b>16,94,340</b>	<b>60.52</b>

**(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 their number of equity shares held by the shareholders.

N2N TECHNOLOGIES LIMITED  
(FORMERLY VISISTH MERCANTILE LIMITED)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 3: RESERVES AND SURPLUS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) General reserve		
Opening balance	58,44,902	1,08,55,575
Add: Profit During the year	4,87,34,676	8,58,53,303
Less: Transferred to Capital Reserve on Consolidation	-28,23,707	-3,70,28,713
Less: Transferred to Minority Interest	-13,05,123	-1,71,14,748
<b>Closing balance</b>	<b>5,04,50,748</b>	<b>4,25,65,417</b>
(c) Securities premium account (As per last Balance Sheet)	14,62,04,086	3,08,81,850
<b>Closing balance</b>	<b>14,62,04,086</b>	<b>3,08,81,850</b>
(d) Foreign currency translation reserve		
Opening balance		
Add / (Less): Effect of foreign exchange rate variations during the year		-1,40,930
<b>Closing balance</b>	<b>-</b>	<b>-1,40,930</b>
(e) Capital reserve		
Opening balance		-
Add: Additions during the year (Katalyst Technologies Inc)		12,97,01,929
Less: Utilised / transferred during the year		-
<b>Closing balance</b>	<b>-</b>	<b>12,97,01,929</b>
(f) Capital Reserve on consolidation		
Opening balance		-
Add: Additions during the year	28,23,707	3,70,28,713
Less: Utilised / transferred during the year		-
<b>Closing balance</b>	<b>28,23,707</b>	<b>3,70,28,713</b>
<b>Total</b>	<b>19,94,78,541</b>	<b>24,00,36,979</b>

**NOTE 4 - LONG TERM BORROWINGS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Term loans		
From banks		
Secured	5,43,110	2,27,72,721
(b) Other loans and advances (From Corporate)		
Unsecured		
Tapas Pharmachem Ltd	2,50,000	2,50,000
Others		4,89,51,000
<b>Total</b>	<b>7,93,110</b>	<b>7,19,73,721</b>

**NOTE 5 - OTHER LONG-TERM LIABILITIES**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Others		
Unsecured		
Others liabilities	-	2,03,96,250
<b>Total</b>	<b>-</b>	<b>2,03,96,250</b>

**NOTE 6 - SHORT TERM BORROWINGS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Loans repayable on demand		
From banks		
Secured	1,41,490	34,47,21,346
(b) Loans and advances from related parties		
Unsecured considered good		
Others	2,15,000	9,65,000
(c) Other loans and advances		
Bonds / debentures		
Unsecured considered good		
Optionally Convertible Debentures-Vijay Chheda	-	3,99,99,900
Vijay Chheda	100	100
Debentures	4,50,00,000	4,50,00,000
Debenture Application Money	-	15,00,000
<b>Total</b>	<b>4,53,56,590</b>	<b>43,21,86,346</b>

**NOTE- 7 TRADE PAYABLES**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>Trade payables:</b>		
Other than Acceptances		
DMKH & Co.	1,66,493	2,27,167
Salary Payable	1,02,832	74,000
Professional Fees Payable	16,545	16,545
Prime Time Management Pvt. Ltd.	8,273	8,273
Sharukh N Tara	46,25,381	46,25,381
Others	65,11,335	3,27,83,965
<b>Total</b>	<b>1,14,30,859</b>	<b>3,77,35,330</b>

**NOTE-8 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Undaimed dividends	-	12,835
(b) Other payables		
Statutory remittances(TDS payable)	1,84,951	35,35,203
Expenses Payable	18,016	8,018
Subala Communications Pvt. Ltd.	-	48,181
Bank overdraft	-	9,938
Advance from customers	21,75,313	14,05,093
Interest accrued & due on debentures	-	32,91,762
(c) Share Application Money	-	54,39,000
<b>Total</b>	<b>23,78,280</b>	<b>1,37,50,030</b>

\*Received by Katalyst Technologies Inc

**NOTE-9 SHORT TERM PROVISIONS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b>Provision - Others:</b>		
(i) Provision for tax	2,27,179	2,27,179
(ii) Provision - others	-	-

N2N TECHNOLOGIES LTD.  
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE-10 FIXED ASSETS

A.	Tangible assets	Gross block					Balance as at 31 March, 2014
		Balance as at 1 April, 2013	Additions	Disposals	Borrowing cost capitalised	Other adjustments	
		Rs.	Rs.	Rs.	Rs.	Rs.	
	(a) Furniture and Fixtures	31,54,506	-	-	-	-	31,54,506
	(b) Vehicles-Motor Car	34,47,807	10,83,960	9,77,248	-	-	35,54,519
	(c) Printer	10,250	-	-	-	-	10,250
	(d) Computers	35,68,601	-	-	-	-	35,68,601
	(e) Air Conditioner	99,960	-	-	-	-	99,960
	(f) Office equipments	6,32,390	-	-	-	-	6,32,390
	(g) Electrical Installation	4,73,884	-	-	-	-	4,73,884
	(h) Leasehold Improvement	13,76,163	-	-	-	-	13,76,163
	(i) Building	-	-	-	-	-	-
	(j) Land	-	-	-	-	-	-
	<b>Total</b>	<b>1,27,63,561</b>	<b>10,83,960</b>	<b>9,77,248</b>	<b>-</b>	<b>-</b>	<b>1,28,70,273</b>
B.	Intangible assets	Gross block					Balance as at 31 March, 2014
		Balance as at 1 April, 2013	Additions	Disposals	Borrowing cost capitalised	Other adjustments	
		Rs.	Rs.	Rs.	Rs.	Rs.	
	(k) IPR	5,66,268	9,15,02,000	-	-	-	9,20,68,268
	(l) Goodwill	-	32,47,028	-	-	-	32,47,028
	<b>Total</b>	<b>5,66,268</b>	<b>9,47,49,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,53,15,296</b>

## NOTE-10 FIXED ASSETS (CONTD.)

A.	Tangible assets	Accumulated depreciation and impairment			Net block	
		Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Furniture and Fixtures	12,77,907	3,39,663	-	16,17,570	18,76,599
	(b) Vehicles-Motor Car	22,93,382	4,58,206	6,15,589	21,35,999	11,54,425
	(c) Printer	10,192	24	-	10,216	34
	(d) Computers	23,71,569	4,78,812	-	28,50,381	11,97,032
	(e) Air Conditioner	84,788	2,112	-	86,900	15,172
	(f) Office equipments	1,88,344	61,767	-	2,50,111	4,44,046
	(g) Electrical Installation	1,44,875	45,765	-	1,90,640	3,29,009
	(h) Leasehold Improvement	6,88,081	2,75,233	-	9,63,314	65,89,451
	(i) Building	-	-	-	-	2,13,14,081
	(j) Land	-	-	-	-	2,07,97,539
	<b>Total</b>	<b>70,59,138</b>	<b>16,61,582</b>	<b>6,15,589</b>	<b>81,05,131</b>	<b>5,37,17,413</b>
B.	Intangible assets	Accumulated depreciation and impairment			Net block	
		Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2013
		Rs.	Rs.	Rs.	Rs.	Rs.
	(k) IPR	4,91,878	29,756	-	5,21,634	3,24,98,825
	(l) Goodwill	-	-	-	-	32,47,028
	<b>Total</b>	<b>4,91,878</b>	<b>29,756</b>	<b>-</b>	<b>5,21,634</b>	<b>3,24,98,825</b>

## N2N TECHNOLOGIES LTD.

#REF!

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE-11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Security deposits		
Secured, considered good		
Unsecured, considered good		
Magarpatta Office	12,00,000	12,00,000
VSNL & Vodafone	73,750	73,750
<b>Total</b>	<b>12,73,750</b>	<b>12,73,750</b>

NOTE-12 OTHER NON CURRENT ASSETS

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Unamortised expenses		
Board Share Project	-	57,07,500
<b>Total</b>	<b>-</b>	<b>57,07,500</b>

NOTE- 13 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Stock-in-trade of Shares		
ELPRO Internationa;l Limited(6 shares @ Rs.315)	5,44,390	6,11,052
JMD TELEFILMS INDUSTRIES LIMITED (70,000 shares @ Rs.7.75)		
<b>Total</b>	<b>5,44,390</b>	<b>6,11,052</b>

NOTE- 14 TRADE RECEIVABLES

Particulars	As at 31 March, 2014	As at 31 March, 2013
	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	5,96,96,185	5,70,99,271
Doubtful	-	-
	<b>5,96,96,185</b>	<b>5,70,99,271</b>
Less: Provision for doubtful trade receivables	-	-
	<b>5,96,96,185</b>	<b>5,70,99,271</b>
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,00,71,614	51,75,28,891
Doubtful	-	-
	1,00,71,614.00	51,75,28,891
Less: Provision for doubtful trade receivables	-	-
	<b>1,00,71,614</b>	<b>51,75,28,891</b>
<b>Total</b>	<b>6,97,67,799</b>	<b>57,46,28,162</b>



## N2N TECHNOLOGIES LTD.

#REF!

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE- 15 CASH & CASH EQUIVALENTS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Cash on hand	22,497	26,026
(b) Balances with banks		
(i) In current accounts	2,31,712	2,01,18,866
(ii) In earmarked accounts		
- Unpaid dividend accounts	5,270	18,105
<b>Total</b>	<b>2,59,479</b>	<b>2,01,62,997</b>

(The company has deposited the liabilities in respect of **Unclaimed** Dividend account for the year 2005-06 of Rs.12,835 in Investor Protection Fund and the present account balance is of Rs.5,270. 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, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Loans and advances to related parties		
Rahul Shah	4,03,35,744	5,03,85,744
	<b>4,03,35,744</b>	<b>5,03,85,744</b>
(b) Prepaid expenses - Unsecured, considered good	<b>4,757</b>	<b>40,50,728</b>
(c) Others-(Recoverable in cash or kind)		
Unsecured, considered good		
Rushi Construction	10,00,000	10,00,000
Soni & Associates	5,00,000	5,00,000
Sanjog Developers	1,89,89,222	1,89,89,222
Inga Capital Private Limited	-	27,57,500
Leadsoft Softtech Private Ltd	-	56,08,250
Leadsoft Solutions Pvt Ltd	9,68,581	13,50,000
SDL Trading Pvt Ltd	25,00,000	25,00,000
Tisya Financial Services Private Limited	21,50,000	21,50,000
Macwell Services	-	1,289
NEHA RAJEN GADA	-	7,443
	<b>2,61,07,803</b>	<b>3,48,63,704</b>
Less: Provision for other doubtful loans and advances	-	-
	<b>2,61,07,803</b>	<b>3,48,63,704</b>
(d) Balances with government authorities		
Unsecured, considered good		
(i) Service Tax credit receivable	2,50,435	2,18,023
(ii) Income Tax	2,97,890	71,740
	<b>5,48,325</b>	<b>2,89,763</b>
<b>Total</b>	<b>6,69,96,629</b>	<b>8,95,89,939</b>

**NOTE- 17 OTHER CURRENT ASSETS**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
(a) Others		
(i) Others (specify nature)		
MAT Credit entitlement	2,27,179	2,27,179
TDS Receivable	4,47,942	3,57,089
Others	-	9,06,71,883
<b>Total</b>	<b>6,75,121</b>	<b>9,12,56,151</b>

## N2N TECHNOLOGIES LTD.

#REF!

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**NOTE- 18 REVENUE FROM OPERATIONS**

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs.	Rs.
(a)	Professional service rendered	20,70,866	2,00,20,76,129
(b)	Software Development Charges	2,34,13,592	-
	<b>Total</b>	<b>2,54,84,458</b>	<b>2,00,20,76,129</b>

**NOTE- 19 OTHER INCOME**

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs.	Rs.
(a)	Interest income	9,08,537	10,86,129
(b)	Dividend income	3,500.00	7,000
(c)	Other non-operating income	55,50,080	26,00,671
	<b>Total</b>	<b>64,62,117</b>	<b>36,93,800</b>

**NOTE -20 changes in Inventory/Stock in Trade**

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs.	Rs.
(a)	Opening Stock	6,11,052	9,43,585
	Add: Purchases	-	-
		<b>6,11,052</b>	<b>9,43,585</b>
	Less: Closing Stock	5,44,390	6,11,052
	<b>Cost of Goods Sold</b>	<b>66,662</b>	<b>3,32,533</b>
(b)	Cost of Sales		1,62,02,28,684
	<b>Total</b>	<b>66,662</b>	<b>1,62,05,61,217</b>

**NOTE- 21 EMPLOYEE BENEFIT EXPENSES**

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		Rs.	Rs.
(a)	Salaries and wages	1,23,50,922	9,70,16,094
(b)	Staff Welfare Expenses	4,35,774	17,91,744
	<b>Total</b>	<b>1,27,86,696</b>	<b>9,88,07,838</b>

## N2N TECHNOLOGIES LTD.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## NOTE- 22 FINANCE COST

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
(a) Interest expense on:		
(i) Borrowings	1,01,624	2,38,78,034
(ii) Others	2,48,163	6,43,032
<b>Total</b>	<b>3,49,787</b>	<b>2,45,21,066</b>

## NOTE- 23 OTHER EXPENSES

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
Advertisement Expenses	1,59,662	1,43,087
Audit Fee (as per below note (i))	1,88,664	1,98,034
Bank Charges	37,891	47,089
BSE Listing Fees	16,854	16,854
Electricity Charges	6,63,267	7,74,918
Travelling Expenses	3,07,816	88,81,726
Communication Expenses	1,12,476	23,65,364
Filing Fees	72,415	2,49,689
Misc Expenditure	32,328	2,02,147
Postage & courier Charges	9,206	5,34,265
Printing & Stationary	64,310	6,75,525
Vehicles Expenses	1,52,603	55,997
Insurance	-	1,52,12,187
Legal & Professional Expenses	11,83,321	1,45,08,373
Amalgamation/Merger Expenses	26,13,000	39,49,454
RTA Charges	32,196	32,704
Director Sitting Fees	3,49,328	1,90,000
Computer & Internet Expenses	18,13,019	29,25,621
Contractual Services	-	1,56,955
Office Expenses	1,06,775	63,15,044
Rent	22,70,808	99,39,002
Repairs and maintenance -Others	3,84,563	3,54,286
Charitable contributions	-	1,90,575
Non recurring expense	-	4,42,54,238
Sales & Marketing	-	1,27,90,686
Subscriptions & Dues	-	24,30,267
Visa amortisation	-	42,02,887
Project expenses amortised	-	34,39,060
Audit out of pocket expenses	20,056	5,850
Profession Tax	25,000	-
Penalties	35,000	-
Boardshare Project W/off	57,07,500	-
Bad Debts	64,30,463	-
<b>Total</b>	<b>2,27,88,521</b>	<b>13,50,41,884</b>

## Note-I( Audit Fees)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
	Rs.	Rs.
(i) Paid to the Auditors(net of service tax input credit ):		
As auditors - statutory audit		
(Audit fees 1,98,034 - Service tax 8,034)	65,000	1,90,000
For other services	-	-
<b>Total</b>	<b>65,000</b>	<b>1,90,000</b>

### 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. In case of Joint Ventures, the share of profit/(loss) of the Company is considered in the Consolidated Financial Statements.
- 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.

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	50% 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 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.

- **Intangible assets and amortisation**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Acquired intangible assets consisting of technical know-how, patents and software, are recorded at acquisition cost and amortised on written down value basis @ 40%.

- **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.

- **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.

- **Employee benefits**

a) Contribution to Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

## b) Gratuity

The company has policy for gratuity as a defined benefit liability. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss. Presently The company has no obligation towards it.

- **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.

- **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

- **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.

20. The merger of Leadsoft Softech Private Limited with the N2N Technologies Limited has been approved by Bombay High Court vide it's order dated 25<sup>th</sup> of Oct. 2013. The appointed date is 1<sup>st</sup> Apr 2012.
24. During the year Company has allotted 13,41,400 equity shares of Rs. 10/- each @ Rs.68.14 per share (including premium of Rs. 58.14 per share) to shareholders and Debenture holders of Leadsoft Softech Pvt. Ltd. Pursuant to the order of Hon. Bombay High Court.
25. Unsecured Optionally Convertible Debentures : DSR Infotech Private Limited had issued 450000 Debentures of Rs 100 each through private placement and as per revised terms and conditions settled with Debenture holders, the said debentures have been made compulsorily convertible into Equity shares on or before 14<sup>th</sup> May 2018. The Company has not booked interest on unsecured debentures for the FY 2013-2014.
26. 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.
27. Balances of Debtors, Loans and Advances, Secured & Unsecured Loans, Sundry Creditors & Others are subject to confirmation and reconciliation and consequential adjustments, if any.
28. 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.

29. 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.
30. 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.
31. 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.
32. 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
Rahul Dilip Shah	Director
DSR Infotech Pvt. Ltd	One Common Director and a subsidiary
DSR Management Inc. USA	One Common Director
Embedded Solutions Group USA	One Common Director
Boardshare Inc. USA	One Common 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 (Nil)	NIL (1,10,56,182)
2	Unsecured Loan Received	NIL (2,09,51,250)	NIL (NIL)
3	Unsecured Loan Paid	NIL (5,55,000)	NIL (NIL)
4	Loans Given	NIL (48,28,135)	NIL (NIL)
5	Loans Given-Refund received	1,00,50,000 (51,28,717)	NI (NIL)
6	Expenses Reimbursed	NIL (NIL)	NIL (NIL)
7	Advances Received	NIL (NIL)	6,42,768 (13,86,945)
8	Balances as on 31st March		
	Trade Receivables due to the company	NIL	18,78,720 (60,40,770)
	Loans Given	4,03,35,744 (5,03,85,744)	NIL (NIL)
	Loans Received	2,15,000 (2,13,61,250)	NIL (NIL)
	Advances	NIL (NIL)	21,75,313 (13,86,945)

DSR Management Inc, Boardshare Inc & Embedded Solutions Group (all Companies incorporated in USA) were dissolved during the previous financial year.



- Note: 1. Figures for the previous year have been given in brackets.  
2. Related Party Relationship is identified by the Management & relied upon by the Auditor. Sitting fees paid to executive/Non executive directors has not been in above.

**33. 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	2013-14 (Rs.)	2012-13 (Rs.)
1	Not later than one year	NIL	11,41,209
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)	22,70,808	34,74,916

**34. Contingent Liabilities:**

Claim against the company not acknowledged as debts:

Particulars	31 March 2014 (Rs.)	31 March 2013 (Rs.)
Income tax demand where the matter is under dispute	2,24,990	2,24,990
Fringe Benefit Tax demand where the matter is in appeal	1,195	1,195
Total	1,02,615	2,26,185

**35. Derivative Instruments and un-hedged foreign currency exposure:**

Particulars of Un-hedged foreign currency exposure at the Balance Sheet date	31 March 2014 (Rs.)	31 March 2013 (Rs.)
Trade receivables	5,99,30,021	6,56,32,100
Advance from Customers	21,75,313	13,86,945
Total	6,21,05,334	6,70,19,045

**36. 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	20,70,866
Outside India	2,34,13,592
Total	2,54,84,458

**24. Expenditure in Foreign Currency :**

Expenses reimbursed - Rs. NIL ( Previous Year Rs. NIL)  
Foreign Travelling - Rs. NIL ( Previous Year Rs.13,69,010 )

**25. Earnings in Foreign Currency :**

Professional services and software development charges Rs.2,34,13,592 (Previous Year - Rs.3,87,71,690)

**26. 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	2013-14 Amt (Rs.)	2012-13 Amt (Rs.)
Net profit/(Loss) after Tax as per P & L Account	4,83,18,104	10,47,33,955
Weighted Average No. of equity share outstanding	44,08,066	28,00,000
Basic Earnings per Share	10.96	37.40
Diluted Earnings per share	10.96	34.15

**40. 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 Asset/(Liability)	2013-14 Amt (Rs.)	2012-13 Amt (Rs.)
Opening Balance of Deferred Tax Asset/(Liability)	27,55,445	(2,36,941)
Add: Deferred Tax Asset during the Year		29,92,386
Closing Deferred Tax Asset/(Liability)	27,55,445	27,55,445

**41.** The Company has not received the required information from suppliers regarding their status under the MSMED 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.

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

**On behalf of the Board of  
The N2N Technologies Ltd**

Manish Kankani  
M. No:158020  
Place : Mumbai  
Date :30/05/2014

Rahul Shah  
**Director**

Haren Parekh  
**Director**

**N2N Technologies Limited**  
**(formerly, Visisth Mercantile Limited)**  
**Regd. Office: Office No. 101, P1 Pentagon, Magarpatta City,**  
**Hadapsar, Pune - 411 013**  
 (CIN : L72900PN1985PLC145004)

**ATTENDANCE SLIP**  
**29<sup>th</sup> ANNUAL GENERAL MEETING**

Folio No.: \_\_\_\_\_ No. of shares held : \_\_\_\_\_  
 DPID & Client ID.No.: \_\_\_\_\_

I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company, on Thursday, 25<sup>th</sup> September, 2014 at 3.00 pm at the Registered office of the Company at Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune - 411 013.

\_\_\_\_\_  
 Name of the Member / Proxy : \_\_\_\_\_ Member's/Proxy's Signature

NOTE : Member/joint member/proxies are requested to bring this slip with them and hand it over at the entrance. Duplicate slips will not be issued at the entrance of the venue

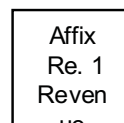
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**N2N Technologies Limited**  
**(formerly, Visisth Mercantile Limited)**  
**Regd. Office: Office No. 101, P1 Pentagon, Magarpatta City,**  
**Hadapsar, Pune - 411 013**  
**(CIN : L72900PN1985PLC145004)**

**FORM OF PROXY (MGT-11)**

I/We, \_\_\_\_\_ the undersigned, being equity share holder(s) of M/s. N2N Technologies Limited hereby appoint Mr./Ms \_\_\_\_\_ resident of \_\_\_\_\_ and failing him/her Mr./Ms. \_\_\_\_\_ resident of \_\_\_\_\_ as my/our proxy, to act for me/us at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Thursday, 25<sup>th</sup> September, 2014 at 3.00 pm at the Registered office of the Company at Office No. 101, P1 Pentagon, Magarpatta City, Hadapsar, Pune - 411 013 and adjournment thereof, in respect of following Resolutions :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31<sup>st</sup> 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. Appointed of the Auditors of the Company
3. Appointment of Mr. Haren Parekh as an Independent Director of the Company
4. Appointment of Mr. Rajesh Shah as an Independent Director of the Company
5. Appointment of Mr. Jayesh Desai as an Independent Director of the Company
6. To approve Borrowing limits of the Company
7. To authorize for creation of Charges on the assets of the Company

Dated this \_\_\_\_ day of \_\_\_\_\_  
 Folio No.: \_\_\_\_\_  
 DPID & Client ID.No.: \_\_\_\_\_  
 No. of shares held : \_\_\_\_\_  
 Signature : \_\_\_\_\_



Stamp

**Notes: Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the meeting. The Proxy need not be a member of the Applicant Company.**