



Lee & Nee
Softwares (Exports) Ltd.



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FOR UNIVERSITY

Twenty Seventh

27th

ANNUAL
REPORT & ACCOUNTS
2014-2015



Lee & Nee

Softwares (Exports) Ltd.

BOARD OF DIRECTORS : AJAY KUMAR AGARWAL — Executive Director
S. M. GUPTA — Promoter Director
ARPITA GUPTA — Non-Executive Director
VIKASH KAMANI — Independent Director
SUSHIL KUMAR GUPTA — Independent Director
LEELA MURJANI — Independent Director

AUDITORS : JAIN SONU & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS : ICICI BANK LTD.
UNION BANK OF INDIA
INDIAN OVERSEAS BANK
INDUSIND BANK LTD.
ROYAL BANK OF SCOTLAND
ORIENTAL BANK OF COMMERCE
ALLAHABAD BANK

REGISTERED OFFICE : 14B, CAMAC STRET, KOLKATA - 700 017
TEL : 033-40650377/0374, FAX : 033-40650378
EMAIL : investors@lnsel.com, WEBSITE : www.lnsel.com

SOFTWARE DEVELOPMENT CENTRE : SOFTWARE TECHNOLOGY PARK
SALT LAKE ELECTRONICS COMPLEX
BLOCK 'GP', SECTOR - V
SDF BUILDING, 4TH FLOOR
BIDHANNAGAR, KOLKATA - 700 091

REGISTRAR & SHARE TRANSFER AGENTS : MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
KOLKATA - 700 001

CORPORATE IDENTITY NUMBER (CIN) : L70102WB1988PLC045587



NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of Lee & Nee Softwares (Exports) Limited will be held at Shishir Mitra Hall, 3rd Floor, Webel Bhavan, Block EP & GP, Sector-V, Saltlake, Kolkata -700091 on Saturday the 26th September, 2015 at 11 A.M. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 together with the reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Agarwal (DIN 01265141), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. Jain Sonu & Associates, Chartered Accountants (Registration No. 324386E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

By order of the Board
For **LEE & NEE SOFTWARES (EXPORTS) LTD.**

Place: Kolkata
Date: The 8th July, 2015.

Ajay Agrawal
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
2. Brief details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on September 26, 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
3. Members/Proxies are requested to bring the Attendance Slip duly filled in and handover the same at the entrance to the venue of the meeting.
4. Members who hold shares in dematerialized form are requested to bring their Depository Account Number (Client ID and DP ID no.) for easier identification and recording of the attendance at the meeting.
5. Members are requested to bring their copies of the Report and Accounts at the Meeting.
6. Members are requested to notify any change in their address and their e-mail id immediately mentioning their name and folio no., to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata-700001.
7. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.



8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate to the Company, the ledger folios of such accounts to enable the Company to consolidate all such share holding into one account.
9. Shareholders are requested to send all transfer documents to the Registrar & Share Transfer Agents of the Company by Registered Post to ensure safe delivery of documents.
10. The Register of Members and Share Transfer Book of the Company will remain closed from 19.09.2015 to 26.09.2015 (both days inclusive)
11. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder and transmission/transposition of shares. Members holding shares in physical form shall submit their PAN details to the Registrar and Share Transfer Agent of the Company.
12. a) Shareholders desiring any information as regards to Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
b) Quote registered folio number or client ID in all correspondence.
13. As per SEBI's directive, w.e.f June 26,2000 all investor can offer delivery of Company's shares in dematerialized form only. 54003822 number of Company's shares (96.83%) have been dematerialized as on 31.03.2015.
Members are requested to take steps to dematerialize their shares held in physical form to have easy liquidity.
The Company's ISIN No. is INE791B01014.
14. Send all share transfer lodgement (physical mode) correspondences to the Registrar and Shares Transfer Agents of the Company.
15. Corporate members are requested to forward a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of dematerialized holdings with their respective Depository Participants. Members who hold shares in physical form are requested to forward their e-mail id to the Registrar and Share Transfer Agents, M/s Maheshwari Datamatics Pvt. Ltd.
17. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose email address are registered with the Company/Depositories, unless any Member has requested for physical copy of the same . For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
19. Information and other instructions relating to e-voting are as under :
 - I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting.
 - II. The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Smt. Rasna Goyal, a Practising Company Secretary (C.P No 9209) in practice as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.



- III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 19, 2015.
- IV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 19, 2015 only shall be entitled to avail the facility of remote e-voting / voting through ballot or pooling paper at the Meeting.
- V. Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 19, 2015, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@cdslindia.com or can vote through ballot paper to be downloaded from the Company's website www.linsel.com.
- VI. The voting period begins on 23rd September, 2015 at 9.00 AM and ends on 25th September, 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 19, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- VII. The Scrutinizer, after scrutinizing the votes cast at the meeting(Poll) and through e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.linsel.com and on the website of CDSL www.evoting.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- VIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 26, 2015.
- IX. The process and manner for remote e-voting are as under:
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" tab.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.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.
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.



- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Note for Non-Individual Shareholders and Custodians
- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- X. The Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut off date of September 19,2015.

By order of the Board
For **LEE & NEE SOFTWARES (EXPORTS) LTD.**

Place: Kolkata
Date: The 8th July, 2015.

Ajay Agrawal
Chairman



DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT) IS GIVEN BELOW:

Name of the Director	Mr. Ajay Agarwal
Date of Birth	14.12.1966
Appointed On	29.04.2004
Qualification	B.COM
Expertise	He is a honours graduate from Calcutta University, has vast experience in business since his adulthood, and he is actively engaged in the business management.
Directorship held in other Companies	NIL
Committee Memberships, if any, with position	NIL
Shareholding	NIL



DIRECTORS' REPORT

To,
The Shareholders

Your Directors have pleasure in presenting the 27th Annual Report together with the Audited Financial Statements and their Report thereon for the financial year ended 31st March, 2015.

Financial Results

Amount in (₹)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Balance Brought Forward from the Last Year	(25086541.74)	(25479320.52)	(25393339.57)	(25479320.52)
Profit/(Loss) Before Depreciation and Taxation	1175078.62	815773.63	411507.27	394373.65
	(23911463.12)	(24663546.89)	(24981832.3)	(25084946.87)
Less: Depreciation	(540944.00)	(402754.35)	(457082)	(288152.20)
Less: Taxation	-	(20240.50)	-	(20240.50)
Add : Taxes relating to earlier year	89578.78	-	89578.78	-
Less: Adjustment on account of Schedule II	(390372.00)	-	(259017.00)	-
Profit/(Loss)	(24753200.34)	(25086541.74)	(25608352.52)	(25393339.57)

Company's Performance

During the period under review, at consolidated level, the company achieved revenue of Rs. 23,838,167.97, EBDITA Rs. 1,175,078.62, PBT of Rs. 634,134.62 and PAT of Rs. 723,713.40 as against a revenue of Rs. 22,852,118.56, EBDITA Rs. 815,773.63, PBT of Rs. 413,019.28 and PAT of Rs 392,778.78 respectively in the previous year.

At standalone level, the company achieved revenue of Rs. 15,778,989.21, EBDITA Rs.411,507.27, PBT of Rs. (45,574.73) and PAT of Rs. 44,004.05 as against a revenue of Rs. 18,315,579.57, EBDITA Rs. 394,373.65, PBT of Rs. 106,221.45 and PAT of Rs 85,980.95 respectively in the previous year.

At the Standalone level the sales of the Company have marginally decreased as compared to previous year. The export sales were comparatively lower as compared to previous year whereas domestic sales have comparatively increased in this year being the equally focused area. And at the Consolidated level the sales of the Company has increased as compared to last year, as Company has equally focused on the business of both the subsidiary companies.

A detailed Management Discussion and Analysis Report forms part of this report is annexed as Annexure-1.

Dividend

No dividend is recommended in view of the accumulated losses during the year apart from meeting the contingent liabilities.

Quality Initiatives & Achievements:

The Company successfully achieved annual enterprise-wide ISO certification for ISO 9001:2008 (Quality Management) for Software Development, ERP Solution, Website Development, Medical Transcription & Search Engine Optimization.

Reserves

No amount was transferred to the reserves during the financial year ended on 31st March, 2015.

Future Prospects

Your company have achieved good amount of business from domestic market in this year. The Company has also explored the Australian market recently to expand its share of business in the overseas market. The Company has identified new avenues of software business. Ecommerce business is picking up in India helping the company to get more software business from the domestic market. Oracle is another new area in which the company has entered in this year.



Here is a list of what your company plans for the coming years:

- Your Company is looking forward to work in the areas of SAP ERP Solution, Digital Marketing and Mobile Apps development as there is huge potential in these areas.
- Your Company is now focused on successfully expanding Oracle Applications business both in domestic as well as in overseas market.
- Your Company has also ventured into computer hardware activities for its client as a part of integrated package deal. The Company is very positive to get good volume of business in the coming year.
- Your Company is on the way of developing its own sector specific products and packages in the months to come.

Your Company is constantly striving for new fields of innovation, improved performance with a continued sense of commitment to a higher standard. There is a constant effort that is being made for bringing in worthy and new projects. Your Company is committed to handle new roles and responsibilities and is open to accept new challenges on a global basis by virtue of its strengthened business model. In addition, there are continuous efforts at improving efficiency and delivering excellence in project execution.

Subsidiary companies

The Company has two subsidiaries namely Linsel Web Services Pvt Ltd and Rituraj Shares Broking Pvt. Ltd. as on March 31, 2015. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to provisions of Section 129(3) of the Act read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as Annexure-2.

The audited financial statements of each of its subsidiary companies are available for inspection at the Company's registered office and also at registered offices of the respective companies.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.linsel.com>

Deposits

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made thereunder and therefore, no amount of principal or interest was outstanding as on the date of Balance Sheet.

Particulars of loans, guarantees and investments.

There are no Loans, Guarantees and Investments made under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

Related Party Transactions

There are no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 save and except the carry forward balances appearing in the notes to accounts.

Corporate Social Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have 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 annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Your Director Mr. Ajay Agarwal retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Additional information and brief profile as stipulated under the Listing agreement for the Director seeking reappointment is annexed to the Notice of AGM.

No. of Meetings of the Board

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance, evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagements and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the directors being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Policy on Appointment of Director and Remuneration

The Nomination and Remuneration Committee identifies and ascertains the integrity, qualification, expertise, skills, knowledge and experience of the person for appointment as Director and Key Managerial Personnel. The appointment of a Director as recommended by the Nomination and Remuneration Committee requires approval of the Board.

The remuneration / compensation / commission etc. to the Directors and Key Managerial Personnel is proposed by the Nomination and Remuneration Committee in compliance with requirements of the Companies Act and recommended to the Board for its approval. Approval of Shareholders is obtained, if required.

The Directors receive remuneration by way of fees for attending meetings of the Board or committees thereof.

At the time of appointing an Independent Director, a formal letter of appointment is given to the candidate, which inter-alia, explains the role, functions, duties and responsibilities expected of the person as an Independent Director of the Company. The Independent Director is also explained in detail the compliance required from him under the Companies Act, 2013 and other relevant regulations. The independence of Director is decided as per provisions of the Companies Act, 2013.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for remuneration of Directors, Key Managerial Personnel and Senior Management. The said Remuneration Policy is annexed as Annexure-3 to this report.

Internal Financial control systems and their adequacy

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.



Audit Committee

The details pertaining to composition of audit committee are included in the Corporate governance Report, which forms part of this report.

Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, Jain Sonu & Associates, Chartered Accountants, were appointed as statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Rasna Goyal, a Practising Company Secretary in Practice (CP No.- 9209) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as Annexure-4. There are no qualifications or observations or remarks made by Secretarial Auditor in his report.

Risk management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. A Risk management Committee consisting of Director and senior executives of the Company has been formed to periodically reviews these procedures to ensure that executive management controls risk through means of a properly defined framework .The Company has framed the risk assessment and minimization procedures which will be periodically reviewed by the Board.

Extract of Annual Return

The extract of the Annual Return in form MGT 9 is annexed herewith as Annexure-5.

Particulars of Employees and related disclosures

The information required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as no remuneration has been paid to the directors, except sitting fees.

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provision of section 177(9) & (10) of the Companies Act, 2013 and clause 49 of the Listing Agreement, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanim Policy has been uploaded on the website of the Company at <http://www.Insel.com>

Disclosure requirements

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarization programme of the independent directors are available on the website of the Company (URL: www.Insel.com/investors).

Policy for determining material subsidiaries of the Company is available on the website of the Company (URL:www.Insel.com/investors).

Policy on dealing with related party transactions is available on the website of the Company (URL:www.Insel.com/investors).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: www.Insel.com/investors).

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Additional information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under the Companies Act, 2013 is annexed as Annexure-6 to this report.



Declaration by Independent Directors

Shri Vikash Kamani, Shri Sushil Kumar Gupta and Miss Leela Murjani are Independent Directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder about their status as Independent Directors of the Company.

Corporate Governance

The Company continues to remain committed to high standards of corporate governance. The report on corporate governance as per the requirement of the listing agreement with stock exchanges forms part of this report is annexed as Annexure-7. The Company has complied with all the requirements of corporate governance. The certificate from the Auditors of the Company confirming compliance to the conditions of the corporate governance requirements is also annexed.

Acknowledgments

Your Directors place on record their appreciation for the help and co-operation received by them from ICICI Bank Ltd., Allahabad Bank, Indian Overseas Bank, Union Bank of India, Indusind Bank, Oriental Bank of Commerce, State Government of West Bengal and Department of Electronics & Department of Telecommunication under Ministry of Information & Technology Government of India, specially Software Technology Parks of India, WEBEL(West Bengal Electronics Industry Development Corporation Limited).

Your Directors also place on record their appreciation for the dedicated services rendered by the employees of your Company at all levels.

For and on behalf of the Board

Place : Kolkata
Dated : 8th July, 2015

Ajay Agarwal
Chairman

Arpita Gupta
Director



Annexure-1

Management Discussion and Analysis Report:

Management focus into customized development and solutions, implementation, support, maintenance, training and staffing in the following segments of software services.

ERP:

Enterprise resource planning (ERP) is a cross-functional enterprise system driven by an integrated suite of software modules that supports the basic internal business processes of a company.

Enterprise system software is a multi-billion dollar industry that offer the potential of integrating data and processes across functions in an enterprise.

Organizations consider the ERP system a vital organizational tool because it integrates varied organizational systems and enables flawless transactions and production.

SAP :

Your company is a Partner of SAP which is a major Enterprise Software company with a long history of different software solutions. SAP is the largest and most recognized Fortune 1000, Global 5000 and enterprise market share leader. The Company has achieved its success due to its extremely deep accounting and distribution software suites along with tightly integrated financials, manufacturing, human resource, payroll and customer relationship management software systems. Its Cloud-based Supply Chain Management (SCM) software sales grew 17% in 2014. SAP grew their share of the worldwide SCM market from 23.9% in 2013 to 25.8% in 2014.

SAP's market dominance is expected to be continued in coming years also.

Oracle :

Your Company has also become Gold Partner of Oracle in this year. Our prime focus is on EBS solution along with offering solutions related to Master Data Management & Oracle Fusion products. Oracle Master Data Management drives results by empowering enterprises and their users with the ability to cleanse, govern and manage the quality and lifecycle of master data. Oracle's MDM is an offering designed to reduce the cost of compliance, reduce time to market as well as improve the customer experience by optimizing marketing efforts

The Oracle Optimized Solution for Oracle E-Business Suite provides a fully tested and documented architecture that's ideal for upgrading and consolidating Oracle's integrated suite of global business applications.

Both these products are upcoming solution of Oracle and there is a huge growth potential in the coming years.

ERP for Universities :

Your Company has developed a customized ERP package catered to reputed Universities in India. It is a web based campus Automation system having various modules required for the functioning of any university. Our company has already got orders from 4 prestigious Universities of India and look forward to add many more in the near future.

Mobile Applications :

It is expected to have close to 400 million smart phones in use in India by 2016. The exponential growth of smart phone users in India will help the mobile applications market to expand in the country.

Big business firms are looking for a product that helps them to tap in among the target audience, to help them compete with other business and stay ahead of them. Our skilled, proficient and experience mobile application team will help to plan, design, develop and deliver a customized application to suit customers' business needs.

At Lee & Nee Softwares (Exports) Ltd, we have expertise in developing mobile applications for different platform and Mobile



devices such as Android Application Development, iPhone Mobile Apps Development, BlackBerry Mobile Application Development and Windows Mobile Development.

The Company has successfully implemented and deployed various mobile applications on Android and iOS platform. It looks forward to expand its business further in coming years.

BPO / BPM Business:

The industry is no longer business process outsourcing, it has evolved into business process management (BPM). The outsourcing represents one of the highest potential for India's economic growth and will continue to grow further. According to Nasscom, the Indian IT-BPM industry earned a revenue of \$146 billion, added \$17 billion in FY.2015 over last year. India continues to consolidate its position as the global hub for IT-BPM services, enabling digital transformation for clients serving as further value add. Domestic market to expect a further boost due to Central Government's focus on 'Digital India' and 'Make in India'.

IT staffing and Training Services :

Your company has ventured into IT staffing and training services in the last few years. It is trying to expand itself as a staffing company in various big IT companies working in the area of SAP & Oracle Applications.

Risk & Concerns

Cyber Security Risks - Cyber Security and quality management are few key areas of concern in today's information age. To overcome such concerns in today's global IT scenario, an increasing number of IT-BPO companies in India have gradually started to emphasize on quality to accept global standards such as ISO 9001 (for quality management) and ISO 27000 (for information security). Today, centers based in India account for the largest number of quality certifications achieved by any single country.

Economic Risk - The economic slowdown and adverse movement of key macroeconomic indicators can impact Company's business operations.

Geographic diversity, in terms of two distinct markets namely developed & developing regions coupled with diversity in business lines namely IT services and software products helps protect Lee & Nee Softwares (Exports) Ltd. from economic slowdown. Its long standing relationship with key clients together with long-term contracts helps abate the impact to a greater extent.

Concentration Risk- Regional concentration as well as vertical concentration can adversely impact Company's business in case of a slowdown

The company has diversified its business, both in terms of region and verticals, is intrinsically woven into the DNA of Lee & Nee Softwares (Export) Ltd.

Currency Risk - With a significant portion of company's revenues coming from exports, volatility in exchange rates may impact company's business adversely.

The company has made a well defined currency hedging Policy which helps in controlling risk arisen from currency fluctuations and volatility.

The company has engaged the Foreign Exchange Reviewer for reviewing our foreign exchange risk management policy. Based on that the company has move forward for taking forward covers for only for quarters. And our advisors play a very active role in reviewing our foreign exchange exposure and provide risk mitigation strategies.

Competition Risk - The ever -increasing competition poses a key risk in terms of acquiring client business as well as human talent.

Lee & Nee Softwares (Exports) Ltd. has enhanced their value in the proposition of its customers by way of deepening its domain expertise, technological capabilities and customer engagement, on the human capital front, Lee & Nee Softwares (Exports) Ltd. Brand equity and best in class HR principles and practices has made it a preferred employer.



Regulatory Risk- Legislation in various countries in which we operate including the US & UK , Australia may place restrictions on companies in those countries from outsourcing work to us, or may enact stricter immigration laws or may limit our ability to send our employees to certain client sites.

A team of professionals has been employed within and outside the Company. The company has working on mitigating this on a continuous basis.

THREATS

The emergence of Philippines and China is also a challenge. The Philippines has already overtaken India in terms of 'voice' revenues and China, with its cost and infrastructure benefits, is emerging as a favourable outsourcing destination. In order to minimize threats from other countries, the Indian IT-BPO industry needs to innovate and start offering high-end services along with varied skillsets, apart from building domain.

New challenges have emerged in the form of rising inflation, a falling growth rate, delays in much needed reforms and the attendant waning of investor confidence. There is an urgent need for IT innovation in systems, processes, outsourcing, infrastructure risk management, customer support and security. The rapidly changing nature of global business, external operating environments, manufacturing, wholesale, retailing, logistics, supply chain management, velocity of change in consumer and competitor behaviour, shifts in patterns of work, virtual teams, virtual working, collaboration tools and partnership are the key mechanisms that will accelerate innovation, change and business growth.

Growth:

Information technology is playing an important role in India today and has transformed India's image from a slow moving bureaucratic economy to a land of innovative entrepreneurs.

The IT sector in India is generating 2.5 million direct employment. India is now one of the biggest IT capitals of the modern world and all the major players in the world of IT sector are present in the country. This sector contributes a major part of India's GDP.

India's prime minister Shri Narendra Modi has started 'Digital India' project to give IT a secured position inside & outside India. Digital India has three core components. These include the creation of digital infrastructure, delivering services digitally and digital literacy. This project can change the way public services would be delivered in India in the near future.

Segment-wise or Product-wise performance:

In view of the identical geographical location and the same product, i.e. ITES, there is hardly any need for separate segmental reporting.

Future Economic Outlook:

India's economy picked up pace in FY 2014-2015 and grew 7.3%, which marked the largest expansion in four years. Despite the positive result, a large amount of uncertainty remains regarding the economy's underlying growth trend. A comparison of supply-side calculated GDP data and GDP by expenditure for the January to March period paint different pictures of the economy's momentum. While the economy accelerated in the final quarter of the fiscal year according to GDP by expenditure data, Gross Value Added (GVA) estimates show that the economy lost steam. More recent data suggest that the country may have started to gain momentum at the start of fiscal year 2015-2016

Internal Control System and their adequacy:

Lee & Nee has deployed adequate Internal Control Systems (ICS) in place to ensure a smooth functioning of its business. The processes and the systems are reviewed constantly and changed to address the changing regulatory and business environment. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ERP system which the Company had implemented has helped in further strengthening the internal control systems that are in place.



The existing internal control systems and their adequacy are frequently reviewed and improved upon to meet the changing business environment. The external auditors as well as the internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies.

Discussion on financial performance with respect to operational performance: -

The sales of the Company have marginally decreased as compared to previous year. The export sales were comparatively lower as compared to previous year whereas domestic sales have comparatively increased in this year being the equally focused area. The company continues to sign deals with few overseas companies that provide regular and good volume of business. The Company has also explored the Australian market recently to expand its share of business in the overseas market. It is looking forward to sign more such deals in the coming years. The Company has identified new avenues of software business, Ecommerce business is picking up in India helping the company to get more software business from the domestic market. The Company is looking forward to work in the areas of Digital Marketing and Mobile Apps development as there is huge potential in these areas. Oracle is another new area in which the company has entered in this year. There is a huge potential of business in this area both in domestic as well as overseas market. Company is on the way of developing its own sector specific products and packages in the months to come. The Company has also venture into computer hardware activities for its client as a part of integrated package deal. The Company is very positive to get good volume of business in the coming year. The Company has still scope for better utilization of its capacity and is working very hard to soon achieve higher volumes of work for optimum utilization of its resources.

Material Development in Human Resources/Industrial Relation Front, including No. of people employed:

Your Company treats its "human resources" as one of its most important assets and it believes that its middle management is particularly critical to its business, as they are responsible for managing teams, understanding its clients' expectations and its contractual obligations to clients, ensuring consistent and quality service delivery and deploying the Company's process excellence framework. The Company continuously invests in its HR to create a favourable work environment that encourages innovation which enables it to retain skilled and a highly professional workforce.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Our hiring requirements expected to increase by at least 30 per cent this year. This will be due to anticipated growth and the backfill due to attrition. We expect to improve our people intake during 2016 and are exploring new avenues to decrease hiring turnaround times.



Annexure-2

Form AOC-1

(Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY

(Rs. In Lakhs)

No.	Particulars	Lensel Web Services Pvt. Ltd	Rituraj Shares Broking Pvt. Ltd
		As on 31.03.2015	As on 31.03.2015
1.	Share Capital		
	Authorised Capital	10.00	50.00
	Issued, Subscribed and fully paid up Capital	10.00	36.20
2	Reserves & Surplus	63.91	366.69
3	Total Assets	49.11	403.51
4	Total Liabilities	49.11	403.51
5	Details of Investments(except in the case of Investment in Subsidiaries)	3.00	38.48
6	Turnover (Revenue from operation)	70.32	10.27
7	Profit/(Loss) Before Taxation	4.48	2.32
8	Provision for Taxation	NIL	NIL
9	Profit/(Loss) after Taxation	4.48	2.32
10.	Proposed Dividend (%)	NIL	NIL
11.	% of Shareholding	100%	100%

For and on behalf of the Board

Place : Kolkata
Dated : 8th July, 2015

Ajay Agarwal
Chairman

Arpita Gupta
Director



Annexure-3

Directors' Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay and employee stock option scheme. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.



Annexure-4

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Lee and Nee Softwares (Exports) Limited,

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lee and Nee Softwares (Exports) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Lee and Nee Softwares (Exports) Limited for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - **Not applicable during the financial year under review;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2009 - **Not applicable as the Company has not issued any debt Securities during the financial year under review;**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / propose to buy back any of its securities from any stock exchange during the financial year under review.**



- (vi) The Company has identified the following other laws as applicable to the Company:-
- The Information Technology Act, 2000
 - Industrial Disputes Act, 1947
 - Employees' State Insurance Act, 1948
 - The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1965
 - The Payment of Gratuity Act, 1972
 - The Maternity Benefit Act, 1961
 - Shop and Establishment Act, 1953

I have also examined compliance with the applicable clauses of the following:

- The Secretarial Standards issued by The Institute of Company Secretaries of India - **Not notified by the Central Government upto March 31, 2015 hence not applicable to the Company during the period under review.**
- The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited, Calcutta Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc as mentioned hereinabove.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that,

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

Place: Kolkata
Date: 8th July, 2015

For **Rasna Goyal**
Practising Company Secretary
C.P No. 9209, ACS No. 20852

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



'Annexure A'

To,
The Members,
Lee and Nee Softwares (Exports) Limited,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practice, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 8th July, 2015

For **Rasna Goyal**
Practising Company Secretary
C.P No. 9209, ACS No. 20852



Annexure - 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2015
of
LEE AND NEE SOFTWARES EXPORTS LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS :

i) CIN	L70102WB1988PLC045587
ii) Registration Details	18TH NOVEMBER 1988
iii) Name of the Company	LEE AND NEE SOFTWARES(EXPORTS) LTD.
iv) Category/ Sub-Category of the Company	PUBLIC LIMITED COMPANY
v) Address of the Registered Office and Contact details	14B CAMAC STREET, KOLKATA-700017 Tel: 033 40650377/0374, Fax No.: 033-40650378 Email id: investors@lnsel.com, Website: www.lnssel.com
v) Whether listed Company	YES, Listed with BSE Ltd, Calcutta Stock Exchange Ltd. and Ahmedabad Stock Exchange Ltd.
"vii) Name, Address and contact details of "Registrar & Transfer Agents (RTA) if any"	Maheswari Datamatics Pvt. Ltd, 6, Mangoe Lane 2nd Floor Kolkata – 700 001 Telephone No. 22435029/5809 Fax no. 22484787, E-mail – mdpl@cal.vsnl.net.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

SI. No	Name and Description of main Products/services	NIC code of the Product/Service	% of total turnover of the Company
1	Computer Programming, Consultancy and related activities	620	100%

III PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES

SI. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Lensel Web Services Pvt. Ltd.	U72900WB2001PTC093088	Subsidiary	100%	Section 2 (87)(ii)
2	Rituraj Shares Broking Pvt. Ltd.	U51109WB2000PTC092403	Subsidiary	100%	Section 2 (87)(ii)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20842767	0	20842767	37.3700	20842767	0	20842767	37.3700	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	17619540	0	17619540	31.5910	17623134	0	17623134	31.5974	0.0204
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	38462307	0	38462307	68.9610	38465901	0	38465901	68.9674	0.0093
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	38462307	0	38462307	68.9610	38465901	0	38465901	68.9674	0.0093
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	0	0	0	0.0000	0	0	0	0.0000	0.0000



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	896615	12879	909494	1.6307	863465	12879	876344	1.5712	-3.6449
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5732415	1742399	7474814	13.4020	5737299	1725999	7463298	13.3813	-0.1541
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8815099	31300	8846399	15.8612	8872827	31300	8904127	15.9647	0.6526
c) Others (Specify)									
Non Resident Indians	56296	0	56296	0.1009	56897	0	56897	0.1020	1.0676
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	24690	0	24690	0.0443	7433	0	7433	0.0133	-69.8947
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	15525115	1786578	17311693	31.0391	15537921	1770178	17308099	31.0325	0.0208
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15525115	1786578	17311693	31.0391	15537921	1770178	17308099	31.0325	0.0208
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	53987422	1786578	55774000	100.0000	54003822	1770178	55774000	100.0000	0.0000

ii) Shareholding of Promoters :-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total shares	
1	HARESH COLLECTIONS PVT LTD / AAACH7181A	9715281	17.4190	0.0000	9945281	17.8314	0.0000	2.3674
2	SUNITA GUPTA / ADYPG0114E	8573533	15.3719	0.0000	8573533	15.3719	0.0000	0.0000
3	RITURAJ SHARES AND SECURITIES LIMITED / AACCR1449P	7902853	14.1694	0.0000	7677853	13.7660	0.0000	-2.8471
4	RAJ KUMARI AGARWAL / ADCPA3440M	5029418	9.0175	0.0000	5029418	9.0175	0.0000	0.0000
5	NEENA GUPTA / ADNPG2279F	4801772	8.6093	0.0000	4801772	8.6093	0.0000	0.0000
6	S.M.GUPTA / ACVPG5705B	1193817	2.1405	0.0000	1193817	2.1405	0.0000	0.0000
7	MAHESH GUPTA / ADGPG0686B	820701	1.4715	0.0000	820701	1.4715	0.0000	0.0000
8	LEENA GUPTA / ADDPG2831P	368326	0.6604	0.0000	368326	0.6604	0.0000	0.0000
9	ARPITA GUPTA / ADOPA5454H	55200	0.0990	0.0000	55200	0.0990	0.0000	0.0000
10	LENSEL WEB SERVICES PRIVATE LIMITED / AAACL7846E	1406	0.0025	0.0000	0	0.0000	0.0000	-100.0000
	TOTAL	38462307	68.9610	0.0000	38465901	68.9674	0.0000	0.0093



iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HARESH COLLECTIONS PVT LTD/AAACH7181A				
	At the beginning of the year	9715281	17.4190	9715281	17.4190
	As on 25/07/2014 - Transfer			9945281	17.8314
	At the end of the year			9945281	17.8314
2	LENSEL WEB SERVICES PRIVATE LIMITED/AAACL7846E				
	At the beginning of the year	1406	0.0025	1406	0.0025
	As on 11/04/2014			0	
	At the end of the year			0	
3	RITURAJ SHARES & SECURITIES LIMITED/AACCR1449P				
	At the beginning of the year	7902853	14.1694	7902853	14.1694
	As on 11/07/2014 - Transfer			7907853	14.1784
	As on 25/07/2014 - Transfer			7677853	13.7660
	At the end of the year			7677853	13.7660
4	S.M.GUPTA/ACVPG5705B				
	At the beginning of the year	1193817	2.1405	1193817	2.1405
	At the end of the year			1193817	2.1405
5	RAJ KUMARI AGARWAL/ADCPA3440M				
	At the beginning of the year	5029418	9.0175	5029418	9.0175
	At the end of the year			5029418	9.0175
6	LEENA GUPTA/ADDPG2831P				
	At the beginning of the year	368326	0.6604	368326	0.6604
	At the end of the year			368326	0.6604
7	MAHESH GUPTA/ADGPG0686B				
	At the beginning of the year	820701	1.4715	820701	1.4715
	At the end of the year			820701	1.4715
8	NEENA GUPTA/ADNPG2279F				
	At the beginning of the year	4801772	8.6093	4801772	8.6093
	At the end of the year			4801772	8.6093
9	ARPITA GUPTA/ADOPA5454H				
	At the beginning of the year	55200	0.0990	55200	0.0990
	At the end of the year			55200	0.0990
10	SUNITA GUPTA/ADYPG0114E				
	At the beginning of the year	8573533	15.3719	8573533	15.3719
	At the end of the year			8573533	15.3719



**iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	ADROIT FIN SER PVT LTD/AABCA1156D				
	At the beginning of the year	57703	0.1035	57703	0.1035
	As on 25/04/2014 - Transfer			58203	0.1044
	As on 23/05/2014 - Transfer			683203	1.2249
	As on 30/05/2014 - Transfer			683703	1.2258
	As on 30/09/2014 - Transfer			684203	1.2267
	As on 06/03/2015 - Transfer			59203	0.1061
	As on 20/03/2015 - Transfer			58203	0.1044
	As on 27/03/2015 - Transfer			58000	0.1040
	At the end of the year			58000	0.1040
2	SHEELA DOSHI/AABPD3517G				
	At the beginning of the year	300000	0.5379	300000	0.5379
	At the end of the year			300000	0.5379
3	TEJRAJ DOSHI/AABPD3518K				
	At the beginning of the year	300000	0.5379	300000	0.5379
	At the end of the year			300000	0.5379
4	HARSHAL AGRAWAL/AACHH6304Q				
	At the beginning of the year	507129	0.9093	507129	0.9093
	At the end of the year			507129	0.9093
5	JAYESH TARACHAND KOTHARI/AACPK1361Q				
	At the beginning of the year	625000	1.1206	625000	1.1206
	At the end of the year			625000	1.1206
6	JAGADISH PRASAD TOSAWAR/ABSPT4421F				
	At the beginning of the year	548914	0.9842	548914	0.9842
	At the end of the year			548914	0.9842
7	RAM GOPAL RAMGARHIA/ADGPR8048E				
	At the beginning of the year	305120	0.5471	305120	0.5471
	At the end of the year			305120	0.5471
8	LEELA MURJANI/ADQPM9518E				
	At the beginning of the year	284688	0.5104	284688	0.5104
	As on 11/04/2014 - Transfer			286094	0.5130
	At the end of the year			286094	0.5130



9	ABHISHEK TEJRAJ DOSHI/AEGPD9279J				
	At the beginning of the year	298145	0.5346	298145	0.5346
	At the end of the year			298145	0.5346
10	SANJAY GUPTA/AGNPG1781D				
	At the beginning of the year	300965	0.5396	300965	0.5396
	As on 19/12/2014 - Transfer			285519	0.5119
	As on 31/12/2014 - Transfer			286519	0.5137
	As on 09/01/2015 - Transfer			276519	0.4958
	As on 16/01/2015 - Transfer			269405	0.4830
	At the end of the year			269405	0.4830
11	NEHA SHARMA/BODPS4562D				
	At the beginning of the year	912516	1.6361	912516	1.6361
	At the end of the year			912516	1.6361

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	MAHESH GUPTA				
	At the beginning of the year	1250	0.0022	1250	0.0022
	At the end of the year			1250	0.0022
2	SAGAR MAL GUPTA				
	At the beginning of the year	6200	0.0111	6200	0.0111
	At the end of the year			6200	0.0111
3	S M GUPTA				
	At the beginning of the year	1193817	2.1405	1193817	2.1405
	At the end of the year			1193817	2.1405
4	RAJKUMARI AGARWAL				
	At the beginning of the year	5029418	9.0175	5029418	9.0175
	At the end of the year			5029418	9.0175
5	LEENA GUPTA				
	At the beginning of the year	368326	0.6604	368326	0.6604
	At the end of the year			368326	0.6604
6	MAHESH GUPTA				
	At the beginning of the year	820701	1.4715	820701	1.4715
	At the end of the year			820701	1.4715



7	NEENA GUPTA				
	At the beginning of the year	4801772	8.6093	4801772	8.6093
	At the end of the year			4801772	8.6093
8	ARPITA GUPTA				
	At the beginning of the year	55200	0.0990	55200	0.0990
	At the end of the year			55200	0.0990
9	SUNITA GUPTA				
	At the beginning of the year	8573533	15.3719	8573533	15.3719
	At the end of the year			8573533	15.3719

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	NIL	NIL	NIL	NIL
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change				
Indebtedness at the end of the financial year				
Principal Amount	NIL	NIL	NIL	NIL
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and/or Manager- NIL

B. REMUNERATION TO OTHER DIRECTORS

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Shri Sushil Kumar Gupta	Miss Leela Murjani	Vikash Kamani	
	Fee for attending board/ Committee meetings	6,000.00	6,000.00	-	12,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	6,000.00	6,000.00	-	12,000.00
2	Others Non Executive Directors	Mrs. Arpita Gupta			
	Fee for attending board/ Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
Total (B)=(1+2)	6,000.00	6,000.00	-	12,000.00	

C. Remuneration to Key Managerial Personnel other than MD, WTD and/or Manager - NIL



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/NCLT/COURT)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				



Annexure-6

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3)
of the Companies (Accounts) Rules 2014

- A. Conservation of Energy : Not Applicable
- B. Technology Absorption : Your Company is developing its capabilities in I. T. Enabled Services and Medical Transcription as well as an ERP vending, Implementation, supporting and training services.
- An expansion in the operation is ahead through strategic alliances for Business Process Outsourcing Projects.
- C. a) Foreign Exchange Earning : Rs. 8,699,488.92 (previous year Rs. 14,500,040.30)
- b) Foreign Exchange Outgoing : Rs. Nil (previous year Rs. Nil)



Annexure-7

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-15
INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

a) De-listing :

No application for delisting of the Company's securities has been made to any of the Stock Exchanges.

b) Suspension in Trading :

Trading in the Company's Securities was not suspended.

c) Listing Fees :

The listing fees payable as on 31.03.2015 to the various Stock Exchanges aggregating to Rs. 254215/- has been paid.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance and disclosure practices. Transparency, integrity, professionalism and accountability-based values form the basis of the Company's philosophy for corporate governance.

The Company strives to improve the corporate governance practices to meet stakeholders' expectations and strictly complies with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

II. BOARD OF DIRECTORS:

(A) Composition of Board

The Board of Directors has Six Directors as on 31st March, 2015, comprising (i) 3 Independent Directors (ii) Chairman being Executive Director (iii) 1 Woman Independent Director. The Composition of the board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

Name of the Director	Position	No. of Meetings Held	No. of Meetings attended	Whether attended last AGM	No. of other directorship	No. of Committee Membership (Including in the Company)	
						Member	Chairman
Mr. Ajay Agarwal	Executive Director- Chairman	5	5	Yes	1	-	-
Mr. Sagarmal Gupta	Promoter Director	5	5	Yes	1	2	-
Mrs. Arpita Gupta	Non-Executive Director	5	5	Yes	1	1	1
Mr. Vikash Kamani	Independent Director	5	5	Yes	0	1	2
Mr. Sushil Kumar Gupta	Independent Director	5	4	Yes	14	1	-
Miss Leela Murjani	Independent Director	5	4	Yes	1	2	-

Five Meetings of the Board of Directors were held during the year ended on 31st March 2015. These were held on 25th April 2014, 25th July 2014, 29th August, 2014, 30th October, 2014 and 31st January, 2015.

The necessary quorum was present for all the meetings.

No Director hold membership of more than 10 Committees of Boards nor is any Director, Chairman of more than 5 Committees of Boards.



Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

During the year 2014-15, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the board for its consideration.

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

(B) Non executive Directors compensation & disclosures

Name of the Director	Sitting fees	Total
1. Mrs. Arpita Gupta	Waived	Waived
2. Mr. Vikash Kamani	Waived	Waived
3. Mr. Sushil Kumar Gupta	6000	6000
4. Miss Leela Murjani	6000	6000

1. Sitting Fees constitute fees paid to Non-executive directors for attending Board and Committee Meetings.
2. The Company did not have any pecuniary relationship or transaction with the Non-Executive Directors during the year ended 31st March, 2015 save and except the sitting fees of Rs. 6000 each accepted by the two directors.

(C) Code of Conduct

The Board has formulated following code of Conduct of the Company and the same has also been posted on the website of the Company www.linsel.com.

1. Code of conduct for the Board members and senior management.
2. Code of conduct to Regulate, Monitor & Report Trading by Insiders.
3. Code of Practice & Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

All Board members, senior management personal and specified persons have affirmed their compliance with all applicable Code of Conducts.

(D) Whistle Blower Policy

In pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is not in conformity with its Code. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Director and Chairman of Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of Audit Committee. The Company has also disclosed its policy on its website. The whistle blower policy aims:

1. To create a window for the employees, who observe an unethical practice either organizationally or individually, to be able to raise it without any fear of victimization or reprisal.
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
3. To ensure consistent and timely institutional response.
4. To ensure appropriate reporting of whistleblower investigations; and
5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination.



III. AUDIT COMMITTEE

(A) Qualified & Independent Audit Committee

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

(B) Meeting of Audit Committee

The Committee has met 5 times in the financial year ended 31st March 2015. They were held on 25th April 2014, 25th July 2014, 29th August, 2014, 30th October, 2014 and 31st January, 2015. The minutes of the meeting of the Audit Committee is reviewed and noted by the Board.

The necessary quorum was present for all the meetings.

The Composition of the Committee and the attendance at the meetings of the Committee is given below.

Name of the Members	Category	Position	No. of Meetings Held	No. of Meetings attended
1. Mr. Vikash Kamani	Independent, Non-Executive	Chairman	5	4
2. Mr. Sushil Kumar Gupta	Independent, Non-Executive	Member	5	3
3. Mr. S.M Gupta	Promoter	Member	5	5

(C) Powers of Audit Committee 49 (IIC) -

The Power of the Audit Committee of the Company include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee

The functions of the Audit Committee of the Company include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the quarter financial statement before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgement by management
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosures of any related party transactions
 - Qualifications in the draft audit report.



- Reviewing with the management, the quarterly financial statement before submission to the Board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings of assets of the company, where ever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any areas of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc of the candidate.
- Carrying out the function as is mentioned in the terms of reference of the audit committee.

(E) REVIEW OF INFORMATION BY AUDIT COMMITTEE.

The Company has system and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- Management letters/letters of internal control weakness issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

IV. Nomination and Remuneration Committee:

A) The Company has Nomination and Remuneration Committee comprising of three Directors. The composition of the Committee is as follows:

Name of the Members	Category	Position	No. of Meetings Held	No. of Meetings attended
1. Mr. Vikash Kamani	Independent Director	Chairman	5	4
2. Mrs. Arpita Gupta	Non-Executive Director	Member	5	4
3. Miss. Leela Murjani	Independent Director	Member	5	3



B) Role of Nomination and Remuneration Committee:

The functions of the Committee of the Company include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

V. SUBSIDIARY COMPANIES

There are two non listed subsidiary Company(s). The Audit Committee of the listed holding company shall also review the statements, in particular, the investments made by the unlisted subsidiary company.

The minutes of the Board Meetings of the unlisted subsidiary company has been placed at the board meeting of the listed holding company. The management periodically brings to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following: www.lnsel.com

VI. RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. A Risk management Committee consisting of Director and senior executives of the Company has been formed to periodically reviews these procedures to ensure that executive management controls risk through means of a properly defined framework .The Company has framed the risk assessment and minimization procedures which will be periodically reviewed by the Board.

VII. RELATED PARTY TRANSACTIONS

There are no related party transaction during the year within the meaning of section 185,188 and 189 of the Companies Act, 2013 save and except the carry forward balances appearing in the notes to accounts.

VIII. DISCLOSURES

(A) Related party transactions:

There are no materially significant related party disclosures i.e. transactions material in nature, with its promoters, the Directors or the Management or their relatives etc. having potential conflict with the interests of the Company. The board has approved a policy for related party transactions which has been uploaded on the Company's website www.lnsel.com

(B) Disclosure of Accounting Treatment

In the preparation of financial statement, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(C) Remuneration of Directors

The Company has paid sitting fees to the director for attending the board meeting by Shree Sushil Kumar Gupta and Ms. Leela Murjani and other directors save and except have waived their sitting fees.

(D) SHAREHOLDERS : STAKEHOLDERS RELATIONSHIP COMMITTEE:

All the information's regarding the Company and its workings are regularly uploaded in the Company's website viz. www.lnsel.com



The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of Stakeholders' queries and grievances. The members of the Committee are -

Mrs. Arpita Gupta - Non-Executive Director, Chairman
Mr. S.M. Gupta - Member
Miss. Leela Murjani - Member

The Stakeholders Relationship Committee met once viz., on 31st January, 2015 and all the members were present for the meeting.

The total number of complaints received and replied to the satisfaction of shareholders. There were no complaints pending as on 31st March' 2015.

Mrs. Arpita Gupta has been designated as the Compliance Officer to oversee the investor's grievances and the matters relating to share transfer.

M/s. Maheshwari Datamatics Pvt. Ltd. has been appointed as the Company's transfer agent to expedite the process of share transfer both physical and demat segment.

(E) Proceeds from public issues, rights issues, preferential issues etc:

The Company did not raise any money through any issue during this year.

(F) Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(G) There were no cases of non-compliance, no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(H) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements.

(IX) CEO/CFO CERTIFICATION

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49 (IX) of the Listing Agreement.

(X) MEANS OF COMMUNICATION

The quarterly, half yearly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors and communicated to the investors through publication in news papers in English and vernacular languages.

The Financial results are generally published in "The Financial Express".

The results are also placed at website of the Company; www.lnsel.com soft copies of the financial results are also mailed to corp.relations@bseindia.com.

Presentations are made to Institutional Investors or Analysts on specific request.

A management discussion and analysis report is a part of the Company's annual report.

(XI) General Body Meetings:

The details of the Annual General Meeting Held in last 3 years are as under:-

Financial Year	Date	Time	Venue
2011-12	September 29, 2012	11 A.M	Shishir Mitra Hall, Webel Bhawan, Kolkata-700091
2012-13	September 28, 2013	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
2013-14	September 27, 2014	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091



No Extraordinary General Meeting was held during the financial year 2014-15. No special resolution was passed through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

(XII) General Shareholders Information

Registered Office:

14B, Camac Street, Kolkata - 700 017

Share Transfer Agents

Pursuant to SEBI circular No. DCCC/FITTC/CIR-15/2002 dt. 27.12.2002 all the works relating to the share registry for the shares held in the electronic form (demat) are being done at one single point and for this purpose SEBI registered category 1 Registrar and Share Transfer Agent has been appointed w.e.f. 23.02.2003 whose details are given below:

Maheswari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
Telephone No. 22435029/5809
Fax no. 22484787
E-mail - mdpl@cal.vsnl.net.in

Stock Code:

BSE Ltd. 517415

Demat ISIN Nos.

INE791B01014

Investors' Complaints may be Addressed to :

Share Transfer agents at the above mentioned address and /or to the Director, Investors' Grievance Committee.
Lee & Nee Softwares (Exports) Ltd.
14B, Camac Street, Kolkata - 700 017.

Annual General Meeting :

Date : 26th September 2015
Time : 11.00 A.M.
Venue : Shishir Mitra Hall
Webel Bhawan, 3rd Floor, Block EP & GP
Sector V, Saltlake, Kolkata - 700 091.

Financial Calendar 2015 - 2016

First Quarterly Results : July, 2015
Second Quarterly Results : October, 2015
Third Quarterly Results : January, 2016
Annual results for the year
Ending on 31st March, 2016 : On or before 30th May, 2016.
Annual General Meeting for the
Year ending on 31st March, 2016. : On or before 30th September, 2016.

Book Closure:

19th day of September 2015 to 26th day of September, 2015. (Both days inclusive).

Listing of Securities:

Name of the Stock Exchange:

The Bombay Stock Exchange Ltd.
The Calcutta Stock Exchange Association Ltd.
The Ahmedabad Stock Exchange Ltd.



Distribution of Shareholding:

The shareholding distribution of Equity Shares as of 31st March, 2015 is given below:

SI No.	No. of Equity Shares Held		No. of Share Holders	% of Share Holders	No. of Shares	% of Shareholding
1.	1	to 500	16105	85.17	2891678	5.18
2.	501	to 1000	1366	7.22	1178412	2.11
3.	1001	to 2000	670	3.54	1073853	1.93
4.	2001	to 3000	231	1.22	602555	1.08
5.	3001	to 4000	101	0.53	369993	0.66
6.	4001	to 5000	119	0.63	566214	1.02
7.	5001	to 10000	147	0.78	1071528	1.92
8.	10001	to Above	171	0.91	48019767	86.10
TOTAL			18910	100.00	55774000	100.00

Category of Shareholders (as on 31.03.2015)

Category	No. of Holders	No. of Shares	% of holding
PROMOTER	11	38465901	68.97
NRI	25	56897	0.10
FII	--	--	--
OCB	--	--	--
IFI	--	--	--
IMF	--	--	--
BANK	--	--	--
EMPLOYEES	--	--	--
BODIES CORPORATE	198	876344	1.57
CM	4	7433	0.01
PUBLIC	18672	16367425	29.35
TRUST	--	--	--

Market Price Data:

The details of high/low market price of the share at Calcutta Stock Exchange is not available as the trading platform of the Calcutta Stock Exchange is not in operation and the details of high/low market price of the share at the Mumbai Stock Exchange are as under:

Month	Quotation at Bombay Stock Exchange		No. of shares traded
	High (Rs.)	Low (Rs.)	
April 2014	3.54	2.70	189166
May 2014	4.71	2.39	357615
June 2014	3.81	3.09	336194
July 2014	3.38	2.62	158113
August 2014	2.99	2.53	100216
September 2014	3.99	2.55	163371
October 2014	3.10	2.51	70643
November 2014	3.18	2.66	98529
December 2014	3.25	2.55	101124
January, 2015	3.39	2.45	136229
February, 2015	3.27	2.41	83004
March, 2015	3.19	2.32	173391

Source: www.bseindia.com



Share Price Performance in comparison to broad based indices



Dematerialization of Shares :

Your Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dealing in Equity Shares of the Company in dematerialized form. Your Company has been allotted (ISIN No. INE 791B01014). Nearly 96.83% i.e. 54,003,822 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2015.

Share Transfer System:

Shares sent for transfer in physical form are registered by our Share Transfer Agents within 30 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

Plant Location

SDF Building, Salt lake Electronics Complex , 4th Floor , Block GP, Sector -V, Kolkata-91

Address for Correspondence

M/s. Lee & Nee Softwares (Exports) Ltd.
14B, Camac Street, Kolkata- 700 017
Ph: 4065 0377/0374 , Fax: 91-33-4065 0378
Email: investors@lnsel.com

For and on behalf of the Board

Place : Kolkata
Dated : 8th July, 2015

Ajay Agarwal
Chairman

Arpita Gupta
Director

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Board Members & Senior Management of the Company have affirmed compliance with the respective code of conduct as applicable to them for the year ended 31st March 2015.

Place: Kolkata
Date: 8th July, 2015

Mahesh Gupta
Chief Executive Officer



AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Lee & Nee Softwares (Exports) Limited.

We have reviewed the compliance of conditions of Corporate Governance by Lee & Nee Softwares (Exports) Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made to us by the Management, we certify that the company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliances 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 **Jain Sonu and Associates**
Chartered Accountants
Firm's Registration Number: 324386E

Place: Kolkata
Date: 8th July, 2015

Sonu Jain
Partner
Membership No.:060015



INDEPENDENT AUDITORS REPORT

To,
The Members of M/s Lee & Nee Softwares (Exports) Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013("the act") with the respect to the preparation of these Standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) There are no long term contracts including derivative contracts, requiring provision for material foreseeable losses, under the applicable law or accounting standards; and
 - iii) The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership No.:060015

Place: Kolkata

Date: 8th July, 2015



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1 OF REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS'
OF OUR REPORT OF EVEN DATE)

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company has not disposed off any substantial part of the fixed assets during the year, so as to affect its going concern status.
- (ii) The Company does not hold any inventory during the year, hence clause 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses 3(iii)(a) and (b) of the Order are not applicable to the Company.
- (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 regard to the purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, Clause 3(v) of the Order is not applicable to the Company.
- (vi) The provisions of the Clause 3(vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty Cess and other statutory dues to the extent applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of the Service Tax, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- b) According to information and explanation given to us, there are no dues of Service Tax, Income Tax, Sales Tax, Custom Duty and Cess which has not been deposited on account of any dispute other than disclosed in notes of accounts.
- c) According to the information and explanation given to us, there was no amount which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) The Company has accumulated losses amounting to Rs. 25,608,352.52 as at 31st March, 2015 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix) The Company has not taken any loan from financial institution or banks as such question of default in repayment of dues to a financial institutions & banks does not arise.
- x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi) According to the information and explanation given to us, the Company did not avail any term loan during the year.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Jain Sonu and Associates**
Chartered Accountants
Firm's Registration Number: 324386E

Place: Kolkata
Date: 8th July, 2015

Sonu Jain
Partner
Membership No.:060015



BALANCE SHEET AS AT 31ST MARCH, 2015

SI No.	PARTICULARS	NOTES	AS AT 31.03.2015 Amount (₹)	AS AT 31.03.2014 Amount (₹)
I	EQUITY AND LIABILITIES			
1	Shareholder's Fund			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	<u>(25,598,352.52)</u>	<u>(25,383,339.57)</u>
			532,141,647.48	532,356,660.43
2	Non-Current Liabilities			
(a)	Other Long Term Liabilities	4	<u>2,363,233.09</u>	<u>1,394,822.08</u>
			2,363,233.09	1,394,822.08
3	Current Liabilities			
(a)	Trade Payables	5	1,930,859.03	3,062,689.10
(b)	Other Current Liabilities	6	235,978.40	119,613.00
(c)	Short-term Provisions	7	-	143,678.77
			<u>2,166,837.43</u>	<u>3,325,980.87</u>
	Total		536,671,718.00	537,077,463.38
II	ASSETS			
1	Non-Current Assets			
(a)	Fixed Assets	8		
	i) Tangible Assets		340,422.56	723,338.56
	ii) Intangible Assets		<u>244,010,406.14</u>	<u>244,159,342.14</u>
			244,350,828.70	244,882,680.70
(b)	Non-Current Investments	9	208,628,440.92	208,689,283.62
(c)	Long Term Loans & Advances	10	78,291,557.28	24,225,055.54
(d)	Other Non-Current Assets	11	100,000.66	100,000.66
			<u>531,370,827.56</u>	<u>477,897,020.52</u>
2	Current Assets			
(a)	Trade Receivables	12	565,960.00	146,640.85
(b)	Cash and Bank Balances	13	4,203,613.01	2,480,349.41
(c)	Short Term Loans & Advances	14	531,317.43	56,310,228.82
(d)	Other Current Assets	15	-	243,223.78
			<u>5,300,890.44</u>	<u>59,180,442.86</u>
	Total		536,671,718.00	537,077,463.38
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 32		

In terms of our separate report of even date

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

SI No.	PARTICULARS	NOTES	For the year ended 31.03.2015 Amount (₹)	For the year ended 31.03.2014 Amount (₹)
I	INCOME			
	Revenue From Operations			
	Sale of Software Services (ITES)			
	- Exports		8,699,488.92	14,500,040.30
	- Domestic		5,290,077.43	3,141,485.70
	Sale of Hardware		1,020,360.00	117,000.00
	Other Income	16	769,062.86	557,053.57
	Total Income		15,778,989.21	18,315,579.57
II	EXPENSES			
	Purchase (Software & Service)		5,279,180.36	4,636,905.80
	Computer Hardware Purchase		816,270.00	192,975.00
	Employee Benefits Expense	17	4,226,886.00	2,500,807.51
	Depreciation		457,082.00	288,152.20
	Other Expenses	18	5,045,145.58	10,590,517.61
	Total Expenses		15,824,563.94	18,209,358.12
III	Profit / (Loss) before tax (I-II)		(45,574.73)	106,221.45
IV	Tax expense:			
	Current tax		-	20,240.50
	Taxes relating to earlier years		(89,578.78)	-
V	Profit / (Loss) after tax (III - IV)		44,004.05	85,980.95
VI	Earning per equity share- par value of Rs 10 per share			
	Basic & Diluted		0.001	0.002
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 32		

In terms of our separate report of even date

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Dipak Patra

Chief Financial Officer

Arpita Gupta

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

SI No.	PARTICULARS	For the year ended 31.03.2015		For the year ended 31.03.2014	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I.	CASH FLOWS				
1	From Operating Activities				
	(a) Net Profit / (Loss) before tax from Operating Activities		(45,575.73)		106,221.45
	Adjustments:				
	Depreciation and amortisation	457,082.00		288,152.20	
	Interest Income	(541,570.64)		(345,734.97)	
	Dividend Income	(979.00)		(251.00)	
	Profit on Investment (in partnership Firm)	(357.30)		(2,617.50)	
	Sundry Balance written -off	(179,123.18)		2,639,039.43	
			(264,948.12)		2,578,5889.16
	Operating Profit/ Loss before working capital changes		(310,522.85)		2,684,810.61
	(b) Working Capital changes:				
	Decrease/ (Increase) in trade receivables	(419,319.15)		1,254,201.65	
	Decrease/ (Increase) in short-term loans & advances	55,778,911.39		109,971,925.88	
	Decrease/ (Increase) in other current assets	243,223.78		19,223.80	
	Increase/ (Decrease) in Trade Payables	(1,131,830.07)		(952,229.48)	
	Increase/ (Decrease) in other current liabilities	116,365.40		92,662.00	
	Increase/ (Decrease) in provisions	(143,678.77)	54,443,672.58	20,240.50	110,406,022.35
	Cash generated from Operating Activities		54,133,149.73		113,090,832.96
	Income Taxes Paid		-		(20,240.50)
	Taxes relating to earlier year		89,578.78		-
	Net Cash from Operating Activities Total of (1)		54,222,728.51		113,070,592.46
2	From Investing Activities				
	Purchase of Fixed Aseets	(184,247.00)		(399,263.24)	
	Purchase/Sale of Investment	61,200.00		(168,860,355.27)	
	Decrease/(Increase) in other long term loans & advances	(54,066,501.74)		31,616,857.35	
	Increase/ (Decrease) in Other Long Term liabilities	968,411.01		720,404.00	
	Dividend received	979.00		251.00	
	Interest received	541,570.64		345,734.97	
	Other income	179,123.18		(2,639,039.43)	
	Investment in Partnership Firm	(357.30)		24,593,259.06	
	Profit on Investment (In partnership firm)	357.30		2,617.50	
	Net Cash from Investing Activities Total of (2)		(52,499,464.91)		(114,619,534.06)
3	From Financing Activities				
	Total of (3)		-		-
II.	Net (decrease)/increase in Cash and Bank Balances (I-II)				
	Total Cash flows (1+2+3)		1,723,263.60		(1,548,941.60)
	Add: Cash and Bank Balances at the beginning of the period		2,480,349.41		4,029,291.09
III.	Cash and Bank Balances at the end of the period (Refer Note 13)		4,203,613.01		2,480,349.41

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statement.

For **Jain Sonu and Associates**
Chartered Accountants
Firm's Registration Number: 324386E
Sonu Jain
Partner
Membership Number: 060015

For and on behalf of the Board

Ajay Agarwal
Chairman

Arpita Gupta
Director

Place : Kolkata
Dated : 8th July, 2015

Dipak Patra
Chief Financial Officer



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1) SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on a going concern basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

a) Method of Accounting :

The Company follows the mercantile system of accounting and generally the accrual concept in preparing the accounts except dividend, Audit Fee which is recorded on cash basis.

b) Use of Estimates :

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialise.

c) Revenue/Expenses recognition :

Revenue and Expenses are recognized only when accrued and their collection and payment is reasonably certain. Software development income has been accounted for contractually though the payments are received progressively. Software Development Expenses and/or copyright fees are accounted for on satisfactory completion.

d) Fixed Assets :

All Fixed Assets are valued at cost inclusive of expenses incurred to put them in use less accumulated depreciation and impairments if any.

e) Depreciation :

Depreciation is provided for based on the useful lives of assets as stated in Schedule II of Companies Act 2013. However, assets value upto Rs 5,000 are fully depreciated in the year of acquisition.

f) Investments:

Non-Current Investments are stated at Cost. However, provision for diminution, if any, in the value of each Non-Current Investment is made to recognize a decline other than temporary nature in the value of the investment.

g) Foreign Currency Transaction :

Transaction in foreign currency are normally recorded at prevailing exchange rate, at the time of the transaction. The resultant gain or loss on realization of foreign currency is recognized in Statement of Profit & Loss as exchange fluctuation.

h) Provisions, Contingent liabilities and Contingent assets:

Provisions are recognized in respect of obligation where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent liabilities are disclosed by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Contingent assets are neither recognized nor disclosed in the Financial Statements.



i) Employee Benefit:

Defined Contribution plans :

Company's contributions to Provident Fund and Employee State Insurance are charged to Statement of Profit & Loss of the year when the contributions to the respective Funds are due. The Company has no obligations other than the contributions payable to the respective Funds.

j) Earnings Per share:

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k) Cash and Cash Equivalents:

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and on hand and short term investments with an original maturity of less than three months.



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)

NOTE - 2

SHARE CAPITAL

Authorised

60,000,000 Equity Shares of Rs.10 each 600,000,000.00 600,000,000.00

Issued, Subscribed and Paid-up

55,774,000 Equity Shares of Rs.10 each 557,740,000.00 557,740,000.00

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars

Equity Shares :

(a) Number of shares:

Shares outstanding at the beginning of the year	55,774,000.00	55,774,000.00
Shares outstanding at the end of the year	55,774,000.00	55,774,000.00

(b) Share Capital:

Shares outstanding at the beginning of the year	557,740,000.00	557,740,000.00
Shares outstanding at the end of the year	557,740,000.00	557,740,000.00

ii) Terms / Rights attached to Equity Shares:

- The Company has only one class of Equity Shares having par value of Rs 10 each. Each share holder is eligible for one vote per share held.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of the shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31st March, 2015		As at 31st March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Sunita Gupta	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	4650880	8.3388	4650880	8.3388
Rituraj Shares & Securities Ltd.	7677853	13.766	7902853	14.1694
Haresh Collections Pvt Ltd.	9945281	17.8314	9715281	17.419



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)
NOTE - 3		
RESERVES & SURPLUS		
i) Capital Reserves		
Opening Balance	10,000.00	10,000.00
Closing Balance	10,000.00	10,000.00
ii) Surplus		
Opening Balance	(25,393,339.57)	(25,479,320.52)
Add: Net Profit for the year	44,004.05	85980.95
Add: Adjustment on Account of Schedule II of Companies Act, 2013(Refer Note 1e)	(259,017.00)	-
Closing Balance	(25,608,352.52)	(25,393,339.57)
Total	(25,598,352.52)	(25,383,339.57)
NOTE - 4		
OTHER LONG TERM LIABILITIES		
- Others	2,363,233.09	1,394,822.08
	2,363,233.09	1,394,822.08
NOTE - 5		
TRADE PAYABLES		
i) Salary Payable	612,413.00	375,860.00
ii) Service Provider Charges Payable	78,625.00	33305.00
iii) Expenses Payable	919,321.03	2,147,129.35
iv) Other Payables	320,500.00	506,394.75
	1,930,859.03	3,062,689.10
NOTE - 6		
OTHER CURRENT LIABILITIES		
i) Trade Advances	206,842.00	106,596.00
ii) Statutory Payables	29,136.40	13,017.00
	235,978.40	119,613.00
NOTE - 7		
SHORT TERM PROVISIONS		
Provision for taxation	-	143,678.77
	-	143,678.77

LEE & NEE SOFTWARES (EXPORTS) LTD.

NOTE 8 - FIXED ASSETS

NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		Amount (₹)
	As at 01.04.2014	Addition During the year	Sales/ Adjustment during the year	As at 31.03.2015	As at 01.04.2014	During the Year	Adjustment on Account of Schedule II of Companies Act, 2013 Refer Note 1e	As at 31.03.2015	As at 31.03.2014	
(i) TANGIBLE ASSETS										
<u>Leasehold Premises</u>	6,187,500.00	-	-	6,187,500.00	6,187,500.00			6,187,500.00		-
<u>Plant and Equipment</u>										
Computers	2,543,638.83	161,747.00	-	2,705,385.83	2,254,241.97	215,263.00		2,469,504.97	235,880.86	289,396.86
Others	876,327.00	22,500.00	-	898,827.00	661,162.13	48,697.00	143,058.00	852,917.13	45,909.87	215,164.87
Access Control System	15,580.50	-	-	15,580.50	11,414.27		3,387.00	14,801.27	779.23	4,166.23
Air Condition	79,202.52	-	-	79,202.52	59,454.41	14,156.00		73,610.41	5,592.11	19,748.11
UPS	26,381.39	-	-	26,381.39	5,573.79	12,386.00	838.00	18,797.79	7,583.60	20,807.60
<u>Networking Equipment</u>										
Head Sets	67,080.00	-	-	67,080.00	33,523.41		30,203.00	63,726.41	3,353.59	33,556.59
Other Equipment	238,680.00	-	-	238,680.00	147,552.64		79,193.00	226,745.64	11,934.36	91,127.36
<u>Furniture & Fittings</u>										
Furniture & Fixtures	409,666.56	-	-	409,666.56	360,295.61	19,982.00		380,277.61	29,388.95	49,370.95
Total of Current Year	10,444,056.80	184,247.00	-	10,628,303.80	9,720,718.24	310,484.00	256,679.00	10,287,881.24	340,422.56	723,338.56
Total of Previous Year	10,254,623.80	189,433.00	-	10,444,056.80	9,495,266.49	225,451.75	-	9,720,718.24	723,338.56	759,357.31
(ii) INTANGIBLE ASSETS										
Goodwill	243,934,700.78	-	-	243,934,700.78	-	-		-	243,934,700.78	243,934,700.77
Computer Software	1,088,612.24	-	-	1,088,612.24	863,970.88	146,598.00	2,338.00	1,012,906.88	75,705.36	224,641.36
Total of Current Year	245,023,313.02	-	-	245,023,313.02	863,970.88	146,598.00	2,338.00	1,012,906.88	244,010,406.14	244,159,342.14
Total of Previous Year	244,813,482.78	209,830.24	-	245,023,313.02	801,270.43	62,700.45	-	863,970.88	244,159,342.14	244,012,212.35
TOTAL (₹)	255,467,369.82	184,247.00	-	255,651,616.82	10,584,689.12	457,082.00	259,017.00	11,300,788.12	244,350,828.70	244,882,680.70
TOTAL OF PREVIOUS YEAR	255,068,106.58	399,263.24	-	255,467,369.82	10,296,536.92	288,152.20	-	10,584,689.12	244,882,680.70	244,771,569.66



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015
NOTE - 9 : NON CURRENT INVESTMENTS

LONG TERM INVESTMENTS AT COST, UNLESS OTHERWISE SPECIFIED

1. QUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

PREVIOUS YEAR		NAME OF THE COMPANY	CURRENT YEAR	
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)
100	1,570.00	Hindustan Construction Ltd.	100	1,570.00
100	660.00	Hindustan Motor Ltd.	100	660.00
200	1,200.00	Century Extrusions Ltd.	200	1,200.00
65	940.53	ICICI Ltd	65	940.53
100	100.00	NTC Industries Ltd. (R.D.B. Industries Ltd.)	100	100.00
<u>565</u>	<u>4,470.53</u>		<u>565</u>	<u>4,470.53</u>

2. UNQUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

106	2,120.00	Enkay Texofood Ltd	106	2,120.00
300	61,200.00	Krone Communication Ltd	-	-
50	1,500.00	PCS Data Products Ltd	50	1,500.00
100	515.00	Neena Consultants Ltd	100	515.00
8175	149,602,500.00	Shreepati Infra Reality Limited	8175	149,602,500.00
100	8,200.00	Philips India Ltd.	100	8,200.00

INVESTMENT IN EQUITY SHARES IN SUBSIDIARIES: (FULLY PAID UP)

10000	3,614,700.00	Lensel Web Services (P) Ltd. (Equity Shares of Rs. 100 each)	10000	3,614,700.00
36200	29,637,850.71	Rituraj Share Broking Pvt. Ltd. (Equity Shares of Rs 100 each)	36200	29,637,850.71
<u>55031</u>	<u>182,928,585.71</u>		<u>54731</u>	<u>182,867,385.71</u>
<u>55596</u>	<u>182,933,056.24</u>	Total	<u>55296</u>	<u>182,871,856.24</u>

Total Cost of Quoted Investments	Rs. 6720.53	(Previous Year Rs. 6720.53)
Total Cost of Unquoted Investments	Rs. 182928585.71	(Previous Year Rs.182928585.71)
Market Value of Quoted Investments	Rs. 38781.30	(Previous Year Rs. 88195.25)

INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS

25	2250.00	Finolex Pipe Ltd.	25	2250.00
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3. INVESTMENT IN PARTNERSHIP FIRM

Amount (₹)		Amount (₹)	
		Investment in Partnership Firm	
		M.M. International	
25,753,977.38		(Other Partner: Mahesh Gupta) (Share of Profit - 50%)	25,754,334.68
	<u>25,753,977.38</u>	Total Capital: Rs.(5378673.82)	
	<u>208,689,283.62</u>	GRAND TOTAL	<u>208,628,440.92</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT 31.03.2015 Amount (₹)	AS AT 31.03.2014 Amount (₹)
NOTE - 10		
LONG TERM LOANS & ADVANCES		
Unsecured-Considered Good :		
i) Loans (Interest accrued thereon)	5,448,926.00	2,363,710.00
ii) Advances recoverable in cash or in kind or value to be received	63,609,690.55	20,971,098.09
iii) Security Deposits	8,761,785.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	115,311.48	272,618.20
b) Minimum Alternate Tax Credit entitlement	<u>355,844.00</u>	<u>355,844.00</u>
	<u>78,291,557.28</u>	<u>24,225,055.54</u>
NOTE - 11		
OTHER NON CURRENT ASSETS		
Trade Receivables (Unsecured, considered Good)	<u>100,000.66</u>	<u>100,000.66</u>
NOTE - 12		
TRADE RECEIVABLES		
(Unsecured-Considered Good)		
1. Outstanding for a period exceeding six months from the due date of payment	49,828.00	-
2. Other Debts	<u>516,132.00</u>	<u>146,640.85</u>
	<u>565,960.00</u>	<u>146,640.85</u>
NOTE - 13		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
i) Balance with Banks		
In Current Account	194,932.96	102,491.38
Other Bank Balances:		
Bank Deposits	<u>2,522,014.58</u>	<u>2,075,615.56</u>
	<u>2,716,947.54</u>	<u>2,178,106.94</u>
ii) Cash-on-Hand	<u>1,486,665.47</u>	<u>302,242.47</u>
	<u>4,203,613.01</u>	<u>2,480,349.41</u>
NOTE - 14		
SHORT TERM LOANS & ADVANCES		
(Unsecured-Considered Good)		
i) Advances recoverable in cash or in kind or for value to be received	-	56,069,340.71
ii) Other Advances		
Trade Advances	65.77	-
Security Deposit	110,000.00	63,000.00
Balance with statutory/ government authorities	<u>421,251.66</u>	<u>177,888.11</u>
	<u>531,317.43</u>	<u>56,310,228.82</u>
NOTE - 15		
OTHER CURRENT ASSETS		
Deferred Revenue Exp	-	<u>243,223.78</u>
	-	<u>243,223.78</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	For the year ended 31.03.2015 Amount (₹)	For the year ended 31.03.2014 Amount (₹)
NOTE - 16		
OTHER INCOME		
i) Interest Income:		
from others	304,685.00	210,000.00
from Bank Deposits	236,885.64	135,734.97
from Income Tax Refund	24,057.99	-
ii) Other Non Operating Income		
Other Income (includes share of profit of M.M. International: Rs. 357.30)	203,434.23	211,318.60
	<u>769,062.86</u>	<u>557,053.57</u>
NOTE - 17		
EMPLOYEE BENEFITS EXPENSE		
Salary	3,801,008.00	1,865,115.00
Staff Welfare	296,053.00	496,732.51
Contribution to Provident Fund & Other Funds	902.00	9,761.00
Call centre Expenditure	-	1,980.00
Consultancy services paid	128,923.00	127,219.00
	<u>4,226,886.00</u>	<u>2,500,807.51</u>
NOTE - 18		
OTHER EXPENSES		
Power & Fuel	899,964.00	969,982.00
Rent	258,516.00	311,652.00
<u>Repairs & Maintenance</u>		
Others	103,150.00	44,140.00
Rates & taxes	16,326.00	132,025.00
Advertisement & Publicity	28,260.00	546,346.00
Annual Maintenance Charge	33,500.00	-
Business Promotion Exp.	164,868.86	89,650.00
Legal Expenses	5,550.00	184,500.00
TDS for earlier Year	-	4,530.00
Service Tax for Earlier Year	-	1,700.00
Consultancy Charges	74,960.00	233,780.00
Cost to Investment Exp	1,280.00	750.00
<u>Communication Exp</u>		
Telephone Exp.	386,135.48	312,391.25
Bank Charges & Commission	20,016.66	10,765.91
Consumables	75,270.72	134,457.00
Travelling Exp	82,172.11	232,717.37
Consultancy Support	1,137,900.00	3,616,000.00
Interest On Service Tax	107.50	-
Other Expenses	438,442.25	453,637.52
<u>Statutory Expenses</u>		
Postage for AGM	544,344.00	136,393.00
Printing & Stationery AGM	331,634.00	192,257.00
Share Transfer Fees	40,230.00	40,283.00
Other Statutory Expenses	380,018.00	288,521.13
<u>Auditors Remuneration</u>		
As Audit Fee	22,500.00	15,000.00
Sundry Balances written off	-	2,639,039.43
	<u>5,045,145.58</u>	<u>10,590,517.61</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

19. Gratuity as per AS-15 has not been provided; it will be accounted for in the year of payment since no material obligation has been recognized.
20. Based on the information available with the Company, there is no amount outstanding due to Micro and Small Enterprises as per MSMED Act, 2006.
21. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. The above investments being strategic in nature and diminution in the value of said investments being temporary in nature, no provision there against is required in the accounts.
22. The Company's business activity falls within a single primary business segment i.e. Software business and therefore, the disclosure requirement of Accounting Standard -17 "Segment Reporting" is not applicable.
23. In the opinion of the Board and to the best of their knowledge and belief, Trade Receivables, Loans and Advances have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and are subject to confirmations by the respective parties.
24. Current Tax and Deferred Tax Liability has not been recognized due to brought forward losses.

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognized as current tax in the statement of profit & loss. The credit under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which MAT credit can be carried forward for set-off against the normal tax liability.

25. Earning Per Share (EPS)

The earning per equity share computed as per the requirements of Accounting Standard-20 "Earnings per Share", is as under:

Particulars	2014-15	2013-14
	(Rs.)	(Rs.)
Profit/Loss after tax	44004.05	85980.95
Profit/Loss attributable to Equity Shareholders	44004.05	85980.95
No of equity shares outstanding during the year	55774000	55774000
Nominal Value of Equity Shares (Rupees)	10	10
Basic & Diluted EPS	0.001	0.002

26. Employee Benefits:

Defined Contribution Plan

Contribution to the above plan is recognised for the year as under:

Employer's Contribution to Provident Fund	902	6552.00
Employer's Contribution to Employee State Insurance	NIL	3209.00

27. CIF Value of Imports: NIL NIL
28. Expenditure in Foreign Currency:
Communication & Wire Charges NIL NIL
29. Earning in Foreign Exchange
Export on FOB basis 8699488.92 14500040.30



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

30. Related Parties disclosures

Name of the related parties and related party relationships

i) Subsidiary

Lensel Web Services Pvt. Ltd. Wholly Owned Subsidiary
Rituraj Shares Broking Pvt. Ltd. Wholly Owned Subsidiary

ii) Related parties with whom transactions has taken place during the year

Relatives of Key Management Personnel / Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Leena Gupta (Daughter of Promoter Director)
S. M. Gupta & Company
Leena Consultancy
Rituraj Shares & Securities Ltd.
Rituraj Shares & Securities

iii) Loans to wholly owned subsidiary

Name of the Company	Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
Lensel Web Services Pvt. Ltd	For the business purpose	39,358,902.21	50,241,281.00
Rituraj Shares Broking Pvt. Ltd	For the business purpose	NIL	6,900,000.00

iv) The Company has entered into transactions with certain parties as listed above during the year as under:

Name of the Parties	Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
S. M Gupta & Co.	Consultancy Charges	1,096,322.00	1,596,322.00
Leena Consultancy	Advance for Purchase of Shares	4,753,212.00	4,753,212.00
Leena Consultancy	Analysis Report Charges	70,000.00	70,000.00
Leena Gupta	Advance for Exp	245,000.00	245,000.00
Rituraj Shares & Securities Ltd.	Advance for Purchase of Shares	5,516,020.39	5,828,059.71
Rituraj Shares & Securities	Advance for Purchase of Shares	3,462,886.09	3,462,886.09

31. The SAP Partnership fees paid by the company does not come under the definition of Intangible Assets defined under AS-26. So, the same is considered as deferred revenue expenditure and amortised over a period of five years as per Section 35D of the Income Tax Act 1961.

32. Comparative Figures

Figures of the previous year have been regrouped/ reclassified/ rearranged wherever necessary to correspond with those of the current year's classification/ disclosures.

For **Jain Sonu and Associates**

Chartered Accountants
Firm's Registration Number: 324386E

Sonu Jain
Partner
Membership Number: 060015

Place : Kolkata
Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal Chairman
Arpita Gupta Director

Dipak Patra
Chief Financial Officer



INDEPENDENT AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

The Members of M/s Lee & Nee Softwares (Exports) Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. ("the Company") and its subsidiaries (the Company and its subsidiaries constitute 'the Group') which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the consolidated financial statements.

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 of the consolidated state of affairs of the Group as at 31st March 2015 and their consolidated profit and their consolidated cash flows for the year ended on that date.

For **Jain Sonu & Associates**
Chartered Accountants
Firm's Registration Number: 324386E

Place: Kolkata
Dated: 8th July, 2015.

Sonu Jain
Partner
Membership Number: 060015



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

SI No.	PARTICULARS	NOTES	AS AT 31.03.2015 Amount (₹)	AS AT 31.03.2014 Amount (₹)
I	EQUITY AND LIABILITIES			
1	Shareholder's Fund			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	(11,170,713.21)	(11,504,054.61)
			546,569,286.79	546,235,945.39
2.	Non-Current Liabilities			
	Other Long Term Liabilities	4	42,291,397.30	1,794,414.19
			42,291,397.30	1,794,414.19
3.	Current Liabilities			
(a)	Trade Payables	5	2,072,392.50	3,496,995.04
(b)	Other Current Liabilities	6	1,948,121.40	917,449.50
(c)	Short-term Provisions	7	-	143,678.77
			4,020,513.90	4,558,123.31
	Total		592,881,197.99	552,588,482.89
II.	ASSETS			
1.	Non-Current Assets			
(a)	Fixed Assets	8		
i)	Tangible Assets		700,041.00	2,268,575.83
ii)	Intangible Assets		244,010,406.14	244,159,342.14
			244,710,447.14	246,427,917.97
(b)	Non-Current Investments	9	177,880,533.42	177,941,376.12
(c)	Long Term Loans & Advances	10	129,268,057.84	22,692,405.40
(d)	Other Non-Current Assets	11	17,673,319.49	106,198.49
			569,532,357.89	447,167,897.98
2.	Current Assets			
(a)	Current Investments	12	2,590,876.62	25,661,000.00
(b)	Trade Receivables	13	592,834.00	21,235,556.85
(c)	Cash and Bank Balances	14	16,763,681.99	3,341,581.97
(d)	Short Term Loans & Advances	15	3,203,661.94	54,939,222.31
(e)	Other Current Assets	16	197,785.55	243,223.78
			23,348,840.10	105,420,584.91
	Total		592,881,197.99	552,588,482.89
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 36		
	In terms of our separate report of even date			

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

SI No.	PARTICULARS	NOTES	For the year ended 31.03.2015 Amount (₹)	For the year ended 31.03.2014 Amount (₹)
I	INCOME			
	Revenue From Operations			
	Sale of Software Services (ITES)			
	- Exports		8,699,488.92	14,500,040.30
	- Domestic		10,461,177.43	7,299,282.61
	Sale of Hardware		1,020,360.00	-
	Other Income	17	3,657,141.62	1,052,795.65
	Total Income		23,838,167.97	22,852,118.56
II	EXPENSES			
	Purchases	18	5,589,148.11	5,003,260.53
	Computer Hardware Purchase		816,270.00	-
	Employee Benefits Expense	19	6,248,992.00	5,089,562.51
	Depreciation	20	540,944.00	402,754.35
	Other Expenses	21	10,008,679.24	11,943,521.89
	Total Expenses		23,204,033.35	22,439,099.28
III	Profit before tax (I-II)		634,134.62	413,019.28
IV	Tax expense:			
	Current tax		-	20,240.50
	Taxes relating to earlier years		(89,578.78)	-
V	Profit after tax (III - IV)		723,713.40	392,778.78
VI	Earning per equity share- par value of Rs 10 per share			
	Basic & Diluted		0.013	0.007
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 36		

In terms of our separate report of even date

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Sl No.	PARTICULARS	For the year ended 31.03.2015		For the year ended 31.03.2014	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I.	CASH FLOWS				
1	From Operating Activities				
	(a) Net Profit before tax from Operating Activities		634,134.62		413,019.28
	Adjustments:				
	Depreciation and amortisation	540,944.00		402,754.35	
	Profit on sale of Investment	(763,313.60)		147,962.22	
	Interest Income	(2,613,724.56)		-	
	Dividend Income	(5,003.00)		-	
	Profit on Investment (in partnership Firm)	(357.30)		(403,564.97)	
	Sundry Balance written -off	(179,076.40)		(2,617.50)	
	Assets written off	-		<u>2,544,967.87</u>	
			(3,020,528.86)		2,689,501.97
	Operating Profit/ Loss before working capital changes		(2,386,394.24)		3,102,521.25
	(b) Working Capital changes:				
	Decrease/ (Increase) in trade receivables	20,642,722.85		(19,609,641.35)	
	Decrease/ (Increase) in Current invetsemnts	23,070,123.38		(25,661,000.00)	
	Decrease/ (Increase) in short-term loans & advances	-		-	
		101,976,841.37		61,297,953.68	
	Decrease/ (Increase) in other current assets	45,438.23		19,223.80	
	Increase/ (Decrease) in Trade Payables	(1,424,602.54)		(5,987,725.52)	
	Increase/ (Decrease) in other current liabilities	(49,207,049.10)		50,426,053.50	
	Increase/ (Decrease) in provisions	(143,678.77)		20,240.50	
			94,959,795.42		60,505,104.61
	Cash generated from Operating Activities		92,573,401.18		63,607,625.86
	Income Taxes Paid		-		(20,240.50)
	Taxes relating to earlier year		89,578.78		-
	Net Cash from Operating Actiiviites	Total of (1)	<u>92,662,979.96</u>		<u>63,587,385.36</u>
2.	From Investing Activities				
	Purchase/Sale of Fixed Aseets	786,154.83		(399,263.24)	
	Purchase/Sale of Investment	61,200.00		(107,460,437.70)	
	Profit on sale of Investment	763,312.60		(147,962.22)	
	Decrease in other long term loans & advances	(99,675,652.44)		43,473,228.27	
	Increase/ (Decrease) in Other Long Term laibilities	33,593,423.11		(32,015,831.71)	
	Decrease in other non-current assets	(17,567,121.00)		4,448,855.88	
	Dividend received	5,003.00		251.00	
	Interest received	2,613,723.56		403,313.97	
	Other income	179,076.40		(2,544,967.87)	
	Investment in Partnership Firm	(357.30)		24,593,259.06	
	Profit on Investment (In partnership firm)	357.30		2,617.50	
	Net Cash from Investing Actiiviites	Total of (2)	<u>(79,240,879.94)</u>		<u>(69,646,937.06)</u>
3.	From Financing Activities				
	Total of (3)				
II.	Net (decrease)/increase in Cash and Bank				
	Balances (I-II) Total Cash flows (1+2+3)		13,422,100.02		(6,059,551.70)
	Add: Cash and Bank Balances at the beginning of the period		3,341,581.97		4,029,291.01
	Add: upon addition of subsidiaries		-		5,371,842.66
III.	Cash and Bank Balances at the end of the period		<u>16,763,681.99</u>		<u>3,341,581.97</u>

Note: The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statement.

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1.1 PRINCIPLES ON CONSOLIDATION

- A) The Consolidated Financial Statements consist of Lee & Nee Softwares (Exports) Ltd. ("the Company") and its Subsidiaries (collectively referred to "the Group"). The Consolidated Financial Statements have been prepared on the following basis:-
- The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating all significant intra group transactions / balances in accordance with Accounting Standard (AS) 21-" Consolidated Financial Statements".
 - The difference between the cost of investment in the Subsidiaries and the Groups' share of net assets at the time of acquisition of shares in the Subsidiaries is recognized in the financial statement as Goodwill or Capital reserve, as the case may be.
 - The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the Company's separate financial statements.
 - The financial Statement of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company.
- B) The list of Subsidiary Companies considered in the consolidated financial statements are as follows:

Name of the Subsidiary Companies	Country of Incorporation	Financial year ended	Holding Company's Interest
Rituraj Shares Broking Pvt. Ltd	India	31.03.2015	100.00%
Lensel Web Services Pvt. Ltd.	India	31.03.2015	100.00%

1.2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Group have been prepared with the Generally Accepted Accounting Principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards ratified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on a going concern basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

a) Method of Accounting :

The Group follows the mercantile system of accounting and generally the accrual concept in preparing the accounts except dividend, Audit Fee which is recorded on cash basis.

b) Use of Estimates :

The preparation of financial statements requires management of the Group to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialise.

c) Revenue/Expenses recognition :

Revenue and Expenses are recognized only when accrued and their collection and payment is reasonably certain except dividend income on investment which is accounted only when right to receive for the same is established. Software development income has been accounted for contractually though the payments are received progressively. Software Development Expenses and/or copyright fees are accounted for on satisfactory completion.



d) Fixed Assets :

All Fixed Assets are valued at cost inclusive of expenses incurred to put them in use less accumulated depreciation and impairments if any.

e) Depreciation :

Depreciation is provided for based on the useful lives of assets as stated in Schedule II of Companies Act, 2013. However, assets value upto Rs.5000 are fully depreciated in the year of acquisition.

f) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as long term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current Investments are stated at Cost. Provision for diminution, if any, in the value of each Non-Current Investment is made to recognize a decline other than that of a temporary nature.

g) Foreign Currency Transaction :

Transaction in foreign currency are normally recorded at prevailing exchange rate, at the time of the transaction. The resultant gain or loss on realization of foreign currency is recognized in Statement of Profit & Loss as exchange fluctuation.

h) Provisions, Contingent liabilities and Contingent assets:

Provisions are recognized in respect of obligation where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent liabilities are disclosed by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

i) Employee Benefit:

Defined Contribution plans :

Group's contribution to Provident Fund and Employee State Insurance are charged to Statement of Profit & Loss of the year when the contributions to the respective Funds are due. The Group has no obligations other than the contributions payable to the respective Funds.

j) Earnings Per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k) Cash and Cash Equivalents:

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and on hand and short term investments with an original maturity of less than three months.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)

NOTE - 2

SHARE CAPITAL

Authorised

60,000,000 Equity Shares of Rs.10 each 600,000,000.00 600,000,000.00

Issued, Subscribed and Paid-up

55,774,000 Equity Shares of Rs.10 each 557,740,000.00 557,740,000.00

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars

Equity Shares :

(a) Number of shares:

Shares outstanding at the beginning of the year 55,774,000.00 55,774,000.00
 Shares outstanding at the end of the year 55,774,000.00 55,774,000.00

(b) Share Capital:

Shares outstanding at the beginning of the year 557,740,000.00 557,740,000.00
 Shares outstanding at the end of the year 557,740,000.00 557,740,000.00

ii) Terms / Rights attached to Equity Shares:

- The Company has only one class of Equity Shares having par value of Rs 10 each. Each share holder is eligible for one vote per share held.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of the shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31st March, 2015		As at 31st March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Sunita Gupta	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	4650880	8.3388	4650880	8.3388
Rituraj Shares & Securities Ltd.	7677853	13.766	7902853	14.1694
Haresh Collections Pvt Ltd.	9945281	17.8314	9715281	17.419



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)
NOTE - 3		
RESERVES & SURPLUS		
i) Capital Reserves		
Opening Balance	13,582,487.13	10,000.00
Add: Capital reserve on Consolidation	-	13,572,487.13
Closing Balance	<u>13,582,487.13</u>	<u>13,582,487.13</u>
ii) Surplus		
Opening Balance	(25,086,541.74)	(25,479,320.52)
Add: Net Profit for the year	723,713.40	392,778.78
Add: Adjustment on Account of Schedule II of Companies Act, 2013(Refer Note 1e)	(390,372.00)	-
Closing Balance	<u>(24,753,200.34)</u>	<u>(25,086,541.74)</u>
Total	<u>(11,170,713.21)</u>	<u>(11,504,054.61)</u>
NOTE - 4		
OTHER LONG TERM LIABILITIES		
Others		
i) Trade Advances	39,858,164.21	342048.00
ii) Others	<u>2,433,233.09</u>	<u>1452366.19</u>
	<u>42,291,397.30</u>	<u>1,794,414.19</u>
NOTE - 5		
TRADE PAYABLES		
i) Salary Payable	735,120.00	613,945.00
ii) Service Provider Charges Payable	78,625.00	33,305.00
iii) Expenses Payable	934,550.03	2,276,263.35
iv) Other Payables	<u>324,097.47</u>	<u>573,481.69</u>
	<u>2,072,392.50</u>	<u>3,496,995.04</u>
NOTE - 6		
OTHER CURRENT LIABILITIES		
i) Trade Advances	1,912,608.00	901,267.50
ii) Statutory Payables	<u>35,513.40</u>	<u>16,182.00</u>
	<u>1,948,121.40</u>	<u>917,449.50</u>
NOTE - 7		
SHORT TERM PROVISIONS		
Provision for taxation	-	143,678.77
	<u>-</u>	<u>143,678.77</u>

LEE & NEE SOFTWARES (EXPORTS) LTD.

NOTE 8 - FIXED ASSETS

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2014	Addition during the year	Sales/ Adjustment during the year	As at 31.03.2015	As at 01.04.2014	During the Year	Disposals during the year	Adjustment on Account of Schedule II of Companies Act, 2013	As at 31.03.2015	As at 31.03.2014
(i) TANGIBLE ASSETS										
Leasehold Premises	6,187,500.00	-	-	6,187,500.00	6,187,500.00	-	-	6,187,500.00	-	-
Office Premises	1,785,572.00	-	1,785,572.00	-	774,668.17	40,502.00	815,170.17	-	-	1,010,903.83
Building	505,801.18	-	-	505,801.18	190,950.52	15,874.00	-	206,824.52	298,976.66	314,850.66
<u>Plant and Equipment</u>										
Computers	2,818,833.83	161,747.00	-	2,980,580.83	2,517,512.95	215,263.00	-	434.00	2,733,209.95	301,320.88
Others	1,066,942.71	22,500.00	-	1,089,442.71	802,263.43	48,697.00	183,041.00	10,999.00	1,034,001.43	264,679.28
Card Access Control	83,939.15	-	-	83,939.15	68,742.91	-	10,999.00	3,387.00	79,741.91	15,196.24
Access Control System	15,580.50	-	-	15,580.50	11,414.27	-	3,387.00	64,966.00	14,801.27	4,166.23
Air Condition	442,829.77	-	-	442,829.77	339,934.37	14,156.00	29.00	15,062.80	419,056.37	102,895.40
Printer	15,856.00	-	-	15,856.00	15,033.80	-	11,787.00	29.00	793.20	822.20
UPS	53,631.39	-	-	53,631.39	20,512.01	12,386.00	-	44,685.01	8,946.38	33,119.38
<u>Networking Equipment</u>										
Networking Equipment	32,135.88	-	-	32,135.88	32,135.88	-	-	30,203.00	63,726.41	33,556.59
Head Sets	67,080.00	-	-	67,080.00	33,523.41	-	-	79,193.00	11,934.36	91,127.36
Other Equipment	238,680.00	-	-	238,680.00	147,552.64	-	-	3,435.00	10,640.14	3,994.86
Telephone	11,200.00	-	-	11,200.00	7,205.14	-	-	560.00	123,884.90	1,817.60
Plant & Machinery(Comp)	125,702.50	-	-	125,702.50	123,884.90	-	-	621,735.14	42,097.32	90,125.32
<u>Furniture & Fittings</u>										
Furniture & Fixtures	663,832.46	-	-	663,832.46	573,707.14	47,468.00	-	388,034.00	11,813,751.37	700,041.00
Total of Current Year	14,115,117.37	184,247.00	1,785,572.00	12,513,792.37	11,846,541.55	394,346.00	815,170.17	388,034.00	11,846,541.55	2,268,575.82
Total of Previous Year	13,925,684.37	189,433.00	-	14,115,117.37	11,506,487.64	340,053.91	-	-	11,846,541.55	2,419,197.43
(ii) INTANGIBLE ASSETS										
Goodwill	243,934,700.78	-	-	243,934,700.78	-	-	-	2,338.00	1,012,906.88	243,934,700.78
Computer Software	1,088,612.24	-	-	1,088,612.24	863,970.88	146,598.00	-	2,338.00	75,705.36	224,641.36
Total of Current Year	245,023,313.02	-	-	245,023,313.02	863,970.88	146,598.00	-	2,338.00	1,012,906.88	244,010,406.14
Total of Previous Year	244,813,482.78	209,830.24	-	245,023,313.02	801,270.43	62,700.45	-	-	863,970.88	244,159,342.14
TOTAL (₹)	259,138,430.39	184,247.00	1,785,572.00	257,537,105.39	12,710,512.43	540,944.00	815,170.17	390,372.00	12,826,658.25	244,710,447.14
TOTAL OF PREVIOUS YEAR	258,739,167.15	399,263.24	-	259,138,430.39	12,307,758.07	402,754.36	-	-	12,710,512.43	246,427,917.96



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015

NOTE - 9 : NON CURRENT INVESTMENTS

LONG TERM INVESTMENTS AT COST, UNLESS OTHERWISE SPECIFIED

1. QUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

PREVIOUS YEAR		NAME OF THE COMPANY	CURRENT YEAR	
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)
100	1,570.00	Hindustan Construction Ltd.	100	1,570.00
100	660.00	Hindustan Motor Ltd.	100	660.00
200	1,200.00	Century Extrusions Ltd.	200	1,200.00
65	940.53	ICICI Ltd	65	940.53
100	100.00	NTC Industries Ltd. (R.D.B. Industries Ltd.)	100	100.00
2	1,643.21	Mahindra Gesco Ltd. (Mahindra Lifespace Developers Ltd.)	2	1,643.21
<u>567</u>	<u>6,113.74</u>		<u>567</u>	<u>6,113.74</u>

2. UNQUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

106	2,120.00	Enkay Texofood Ltd	106	2,120.00
300	61,200.00	Krone Communication Ltd	-	-
50	1,500.00	PCS Data Products Ltd	50	1,500.00
100	515.00	Neena Consultants Ltd	100	515.00
8,175	149,602,500.00	Shreepati Infra Reality Limited	8,175	149,602,500.00
100	8,200.00	Philips India Ltd.	100	8,200.00
26,905	2,503,000.00	Rituraj Shares & Securities Ltd.	26,905	2,503,000.00
<u>35,736</u>	<u>152,179,035.00</u>		<u>35,436</u>	<u>152,117,835.00</u>
36,303	152,185,148.74	Total	36,003	152,123,948.74

Total Cost of Quoted Investments	Rs. 8,363.74	(Previous Year Rs. 8,363.74)
Total Cost of Unquoted Investments	Rs. 185,431,585.71	(Previous Year Rs.152,179,035.00)
Market Value of Quoted Investments	Rs. 39,718.80	(Previous Year Rs. 89,327.55)

INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS

25	2,250.00	Finolex Pipe Ltd.	25	2,250.00
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3. INVESTMENT IN PARTNERSHIP FIRM

Amount (₹)	Investment in Partnership Firm	Amount (₹)
25,753,977.38	M.M. International (Other Partner: Mahesh Gupta) (Share of Profit - 50%) Total Capital: Rs.(5,378,673.82)	25,754,334.68
<u>25,753,977.38</u>		<u>25,754,334.68</u>
<u>177,941,376.12</u>	GRAND TOTAL	<u>177,880,533.42</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)
NOTE - 10		
LONG TERM LOANS & ADVANCES		
Unsecured-Considered Good :		
i) Loans (Interest accrued thereon)	13,853,534.00	2,363,710.00
ii) Advances recoverable in cash or in kind or value to be received	97,384,436.55	19,199,935.09
iii) Security Deposits	17,512,251.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	161,992.04	371,239.46
b) Other Advances	-	139,891.60
c) Minimum Alternate Tax Credit entitlement	355,844.00	355,844.00
	<u>129,268,057.84</u>	<u>22,692,405.40</u>

NOTE - 11		
OTHER NON CURRENT ASSETS		
Trade Receivables (Unsecured, considered Good)	<u>17,673,319.49</u>	<u>106,198.49</u>

NOTE - 12					
CURRENT INVESTMENTS (AT COST OR MARKET VALUE WHICHEVER IS LOWER)					
1. QUOTED : OTHER THAN TRADE INVESTMENTS					
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)					
Previous Year		Name of the Company	Current Year		
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)	
-	-	Dish Tv	1000	81,650.00	
-	-	Gabriel	2000	155,290.00	
-	-	Heritage food	500	164,700.00	
-	-	Ind terrain	500	298,375.00	
-	-	M&M	200	237,430.00	
-	-	ONGC	1000	306,800.00	
-	-	Prism Cement	1000	92,485.62	
-	-	Texmaco Cement	2000	70,300.00	
-	-	Titan	200	78,400.00	
-	-	TTK prestige	50	157,815.00	
-	-	Total	8450	1,643,245.62	

2. UNQUOTED: OTHER THAN TRADE INVESTMENTS					
INVESTMENT IN EQUITY INSTRUMENTS: (FULLY PAID UP)					
Previous Year		Name of the Company	Current Year		
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)	
33500	25,661,000.00	Haresh Collections Pvt. Ltd	2550	947,631.00	
33500	25,661,000.00	Total	2550	947,631.00	
	25,661,000.00	GRAND TOTAL		2,590,876.62	

Total Cost of Quoted Investments	Rs. 1,736,614.17	(Previous Year Rs. NIL)
Market Value of Quoted Investments	Rs. 1,682,475.00	(Previous Year Rs. NIL)
Provision for Dimunition in value of	Rs. 93,368.55	(Previous Year Rs. NIL)
Total Cost of Unquoted Investments	Rs. 947,631.00	(Previous Year Rs. 25,661,000.00)

NOTE - 13		
TRADE RECEIVABLES		
(Unsecured-Considered Good)		
1. Outstanding for a period exceeding six months from the due date of payment	70,526.00	21,059,390.00
2. Other Debts	522,308.00	176,166.85
	<u>592,834.00</u>	<u>21,235,556.85</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	For the year ended 31.03.2015 Amount (₹)	For the year ended 31.03.2014 Amount (₹)
NOTE - 14		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
i) Balance with Banks		
In Current Account	1,421,368.48	109,190.52
Other Bank Balances:		
Bank Deposits	<u>12,858,523.62</u>	<u>2,075,615.56</u>
	14,279,892.10	2,184,806.08
ii) Cash-on-Hand	<u>2,483,789.89</u>	<u>1,156,775.89</u>
	<u>16,763,681.99</u>	<u>3,341,581.97</u>
NOTE - 15		
SHORT TERM LOANS & ADVANCES		
(Unsecured-Considered Good)		
i) Loans (Interest accrued thereon)	-	8,500,302.00
ii) Advances recoverable in cash or in kind or for value to be received	2,500,000.00	46,099,724.71
iii) Other Advances		
Trade Advances	27,616.77	21,847.00
Security Deposit	110,000.00	63,000.00
Balance with statutory/ government authorities	<u>566,045.17</u>	<u>254,348.60</u>
	<u>3,203,661.94</u>	<u>54,939,222.31</u>
NOTE - 16		
OTHER CURRENT ASSETS		
Interest Accrued with ICICI Bank	7,326.00	-
Interest Accrued with Indusind Bank	22,238.55	-
TDS A.Y 2015-16	168,221.00	-
Deferred Revenue Exp	-	243,223.78
	<u>197,785.55</u>	<u>243,223.78</u>
NOTE - 17		
OTHER INCOME		
i) Interest Income:		
from others	2,175,849.00	267,579.00
from Banks (FD)	430,597.26	135,734.97
from IT Refund	31,335.29	-
ii) Dividend Income	-	251.00
iii) Business Centre Income	48,000.00	278,000.00
iv) Premium (F & O)	-	(50,273.05)
v) Profit /Loss on trading in securities	-	(1,121.34)
vi) Short Term Capital Gain	763,312.60	-
vii) Misc Income/Sundry Balance written back	4,613.24	-
viii) Other Non Operating Income		
Other Income (includes share of profit of M.M. International: Rs.357.30)	<u>203,434.23</u>	<u>422,625.07</u>
	<u>3,657,141.62</u>	<u>1,052,795.65</u>
NOTE - 18		
PURCHASE		
Purchase (Software Service)	5,279,180.36	4,636,905.80
Domain Registration Charges	304,577.33	262,442.14
Hosting Charges Paid	<u>5,390.42</u>	<u>103,912.59</u>
	<u>5,589,148.11</u>	<u>5,003,260.53</u>
NOTE - 19		
EMPLOYEE BENEFITS EXPENSE		
Salary	5,823,114.00	4,453,870.00
Staff Welfare	296,053.00	496,732.51
Contribution to Provident Fund & Other Funds	902.00	9,761.00
Call centre Expenditure	-	1,980.00
Consultancy services paid	<u>128,923.00</u>	<u>127,219.00</u>
	<u>6,248,992.00</u>	<u>5,089,562.51</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

PARTICULARS	AS AT	AS AT
	31.03.2015	31.03.2014
	Amount (₹)	Amount (₹)
NOTE - 20		
DEPRECIATION EXPENSE		
Depreciation	540,944.00	402,754.35
NOTE - 21		
OTHER EXPENSES		
Power & Fuel	961,364.00	1,023,524.82
Rent	258,516.00	320,652.00
<u>Repairs & Maintenance</u>		
Others	105,650.00	46,640.00
Rates & taxes	16,326.00	146,963.00
Advertisement & Publicity	28,260.00	546,346.00
Annual Maintenance Charge	33,500.00	-
Business Promotion Exp.	203,551.86	94,550.00
Road Show	1,394,345.00	-
Legal Expenses	5,550.00	184,500.00
Director Sittng Fees	160,000.00	-
Car Hire Charges	300,950.00	-
TDS for earlier Year	-	4,530.00
Service Tax for Earlier Year	-	1,700.00
Consultancy Charges	74,960.00	253,780.00
Customer support	1,905,400.00	-
Cost to Investment Exp	20,685.05	10,784.45
<u>Communication Exp</u>		
Telephone Exp.	411,049.19	335,682.60
Bank Charges & Commission	29,276.04	14,198.65
Maintainence Charges	25,317.50	28,290.00
Consumables	75,270.72	134,457.00
Travelling Exp	102,621.67	338,094.34
Consultancy Support	1,137,900.00	4,063,150.00
Interest on Service Tax	107.50	-
Bandwith Charges	181,667.00	180,000.00
General Expenses	13,939.52	12,253.99
Provision for dimunition in the Value of Investment	93,368.55	-
Conveyance	161,403.65	73,260.82
Long Term Capital Loss	-	96,567.83
Corporation Tax	40,130.00	-
Brokerage	133,500.00	-
Other Expenses	797,843.99	709,066.44
Printing & Stationery	2,300.00	1,460.00
<u>Statutory Expenses</u>		
Postage for AGM	544,344.00	136,393.00
Printing & Stationery AGM	331,634.00	192,257.00
Share Transfer Fees	40,230.00	40,283.00
Other Statutory Expenses	390,218.00	293,726.52
<u>Auditors Remuneration</u>		
As Audit Fee	27,500.00	21,371.00
Sundry Balances written off	-	2,639,039.43
	<u>5,947,378.19</u>	<u>11,943,521.89</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

22. Contingent liabilities not provided for:
Income tax demand amounting to Rs. 120186.00 for the Assessment Year 2006 pertaining to the subsidiary "Rituraj Shares Broking Pvt Ltd." being disputed and appeal is pending.
23. Gratuity as per AS-15 has not been provided; it will be accounted for in the year of payment since no obligation had been recognized.
24. Based on the information available with the Company, there is no amount outstanding due to Micro and Small Enterprises as per MSMED Act, 2006.
25. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. The above investments being strategic in nature and diminution in the value of said investments being temporary in nature, no provision their against is required in the accounts.
26. The Group's business activity falls within a single primary business segment i.e. Software business and therefore, the disclosure requirement of Accounting Standard -17 "Segment Reporting" is not applicable.
27. In the opinion of the Board and to the best of their knowledge and belief, Trade Receivables, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and are subject to confirmations by the respective parties.
28. Current Tax and Deferred Tax Liability has not been recognized due to brought forward losses.
Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognized as current tax in the statement of profit & loss. The credit under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which MAT credit can be carried forward for set-off against the normal tax liability.

29. Earning Per Share (EPS)

The earning per equity share computed as per the requirements of Accounting Standard-20 "Earnings per Share", is as under:

Particulars	2014-15 (Rs.)	2013-14 (Rs.)
Profit/Loss after tax	723,713.40	392,778.78
Profit/Loss attributable to Equity Shareholders	723,713.40	392,778.78
No of equity shares outstanding during the year	55,774,000	55,774,000
Nominal Value of Equity Shares (Rupees)	10	10
Basic & Diluted EPS	0.013	0.007

30. Employee Benefits:

Defined Contribution Plan

Contribution to the above plan is recognised for the year as under:

Employer's Contribution to Provident Fund	902	6552
Employer's Contribution to Employee State Insurance	NIL	3209

31. CIF Value of Imports:

	NIL	NIL
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32. Expenditure in Foreign Currency:

Communication & Wire Charges (Previous Year including Business Development exp. & Subscription fees)	NIL	NIL
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33. Earning in Foreign Exchange:

Export on FOB basis	8,699,488.92	14,500,040.30
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NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2015

34. Related Parties disclosures

Name of the related parties and related party relationships

i) Related parties with whom transactions has taken place during the year

Relatives of Key Management Personnel / Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Leena Gupta (Daughter of Promoter Director)

S. M. Gupta & Company

Leena Consultancy

Rituraj Shares & Securities Ltd.

Rituraj Shares & Securities

Anita Gupta (Daughter of Promoter Director)

ii) The Company has entered into transactions with certain parties as listed above during the year as under:

Name of the Parties	Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
S. M Gupta & Co.	Consultancy Charges	1,096,322.00	1,596,322.00
Leena Consultancy	Advance for Purchase of Shares	4,753,212.00	4,753,212.00
Leena Consultancy	Analysis Report Charges	70,000.00	70,000.00
Leena Consultancy	Advances	15,080,355.00	15,080,355.00
Leena Gupta	Advance for Exp	245,000.00	245,000.00
Rituraj Shares & Securities Ltd.	Advance for Purchase of Shares	9,484,230.39	11,649,059.71
Rituraj Shares & Securities	Advance for Purchase of Shares	9,804,829.84	9,804,829.84
Anita Gupta	Advances	52,000.00	52,000.00

35. The SAP Partnership fee paid by the group does not come under the definition of Intangible Assets defined under AS-26. So, the same is considered as deferred revenue expenditure and amortised over a period of five years as per Section 35D of the Income Tax Act 1961.

36. Comparative Figures

Figures of the previous year have been regrouped/ reclassified/ rearranged wherever necessary to correspond with those of the current year's classification/ disclosures.

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 8th July, 2015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer

If undelivered, please return to :



Lee & Nee
Softwares (Exports) Ltd.

Office : 14B, Camac Street
Kolkata - 700 017