



**Lee & Nee**  
Softwares (Exports) Ltd.

 **ERP**  
FOR  
UNIVERSITY

Hostel  
Management

Purchase /  
Inventory

Student  
Information  
System

ERP

Financial  
Accounting  
System

Student  
Fees  
Management

Human  
Resource  
Management  
System



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Twenty Sixth

**26th**

**ANNUAL  
REPORT & ACCOUNTS  
2013 - 2014**



**Lee & Nee**  
Softwares (Exports) Ltd.

## LEE AND NEE SOFTWARES (EXPORTS) LTD.

CIN : L70102WB1988PLC045587

Regd. Office : 14B Camac Street, Kolkata - 700 017

Tel. No. : 033-40650370/76, Fax : 033-22816287

E-mail : info@lnsel.com, Website : www.lnsel.com

### NOTICE

**NOTICE** is hereby given that the 26th 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 27th September, 2014 at 11 a.m. for the transaction of the following business :-

#### ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mrs. Arpita Gupta who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS :-

4. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vikash Kamani (DIN : 06875355), who was appointed as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013, and whose period of office expires at the Annual General Meeting, in respect of whom the Company had received a notice in writing from a member, pursuant to Section 160 of the Companies Act, 2013, proposing his candidature, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office with effect from the date of this Annual General Meeting till April 24, 2019."

5. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sushil Kumar Gupta (DIN : 00535958), who was appointed as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013, and whose period of office expires at the Annual General Meeting, in respect of whom the Company had received a notice in writing from a member, pursuant to Section 160 of the Companies Act, 2013, proposing his candidature, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office with effect from the date of this Annual General Meeting till the date of the 30th Annual General Meeting "

6. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ms. Leela Murjani (DIN : 02413222), who was appointed as an Additional Director of the Company in terms of the provisions of Section 161 of the Companies Act, 2013, and whose period of office expires at the Annual General



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Meeting, in respect of whom the Company had received a notice in writing from a member, pursuant to Section 160 of the Companies Act, 2013, proposing her candidature, be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, to hold office with effect from the date of this Annual General Meeting till the date of the 30th Annual General Meeting.

On behalf of the Board of Directors  
For **LEE & NEE SOFTWARES (EXPORTS) LTD.**

Sd/-

(Ajay Agarwal)

Executive Director

Place : Kolkata

Date : The 29th August, 2014

## NOTES :

1. The Statement pursuant to section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY 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.
3. Members are requested to bring the Admission 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 20.09.2014 to 27.09.2014 (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. 53987422 number of Company's shares (96.80%) have been dematerialized as on 31.03.2014.

Members are requested to take steps to dematerialize their shares held in physical form to have easy liquidity.

The Company's ISIN No. **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. Brief particulars of Mrs. Arpita Gupta, retiring director by rotation, seeking re-appointment.

Date of Birth : 24.02.1982, Date of Appointment : 24/10/2009

She is a practicing Chartered Accountant. She is experienced in Company Law, Auditing, Securities Contract Regulations Act and allied laws regarding listing, FEMA and other direct and indirect taxation. She is having eight years experience and well versed in Capital Market.

**18. Voting through electronic means :-**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to the Provisions of the Listing Agreement the Company is pleased to provide its Members, the facility to exercise their right to vote at this Annual General Meeting (AGM) by electronic means in respect of the businesses to be transacted at the AGM through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under :-

**1) In case of Members receiving an electronic copy:**

The Company is pleased to offer e-voting facility for its members to enable them to cast their vote electronically. The procedure and instructions for the same are as follows :-

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

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**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field – Sequence number is communicated in the Attendance Slip/ Covering Letter</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/Folio number in the Dividend Bank details field</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**2) In case of members receiving the physical copy :-**

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

**3) General Instructions :-**

The voting period begins on Monday, September 22, 2014 at 9.30 A.M. and ends on Tuesday, September 23, 2014 at 5.30 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

On behalf of the Board of Directors  
For LEE & NEE SOFTWARES (EXPORTS) LTD.

Sd/-  
(Ajay Agarwal)  
Executive Director

Place : Kolkata

Date : The 28th August, 2014



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### EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

**ITEM NO 4**

The Board at its meeting held on April 25, 2014 appointed Mr. Vikash Kamani as an Additional Director of the Company with effect from April 25, 2014, pursuant to section 161 of the Companies Act, 2013, to hold office upto the date of the ensuing AGM. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000 proposing the candidature of Vikash Kamani for the office of Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

The Company has received from Vikash Kamani (i) consent in writing to act as director in Form No DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under subsection (2) of section 164 of the Companies Act, 2013 and (iii) a declaration stating that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks approval of members for the appointment of Vikash Kamani as an Independent Director from the date of this AGM till 24th April 2019, pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. He is not liable to retire by rotation.

Mr. Vikash Kamani aged 34 years is a Master in Commerce, an Associate member of Institute of Chartered Accountants of India. Further he has a 10 years experience in Accounts, Audit & Taxation in Ernst & Young and also having experience in industries. He has experience in handling business administration and finance.

The particulars of the aforesaid Director namely, age, qualification, past experience and other details are given separately in this Notice.

In the opinion of the Board of Directors, Vikash Kamani the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. A copy of the draft letter for the appointment of Vikash Kamani is available for inspection without any fee by the members at the Company's registered office during normal business hours upto the date of Annual General Meeting.

No director, key managerial personnel or their relatives, except Mr. Vikash Kamani is interested or concerned in the resolution.

The Company will be benefitted by the experience, expertise and high qualification of Mr. Vikash Kamani. The Board recommends the resolution set forth in Item No 4 for the approval of members.

**ITEM NO 5**

The Board at its meeting held on July 25, 2014 appointed Mr. Sushil Kumar Gupta as an Additional Director of the Company with effect from July 25, 2014, pursuant to section 161 of the Companies Act, 2013 to hold office upto the date of the ensuing AGM. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000 proposing the candidature of Sushil Kumar Gupta for the office of Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

The Company has received from Sushil Kumar Gupta (i) consent in writing to act as director in Form No DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under subsection (2) of section 164 of the Companies Act, 2013 and (iii) a declaration stating that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks approval of members for the appointment of Sushil Kumar Gupta as an Independent Director from the date of this Annual General Meeting till the date of the 30th Annual General Meeting, pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. He is not liable to retire by rotation.



Mr. Sushil Kumar Gupta aged 52 years is a graduate. Further he has a 35 years experience in accounts, finance, indirect taxation, electronic and also having experience in Construction Industries. He has experience in handling business administration and finance.

The particulars of the aforesaid Director namely, age, qualification, past experience and other details are given separately in this Notice.

In the opinion of the Board of Directors, Sushil Kumar Gupta the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. A copy of the draft letter for the appointment of Sushil Kumar Gupta is available for inspection without any fee by the members at the Company's registered office during normal business hours upto the date of Annual General Meeting.

No director, key managerial personnel or their relatives, except Mr. Sushil Kumar Gupta is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of members.

#### ITEM NO 6

The Board at its meeting held on July 25, 2014 appointed Miss Leela Murjani as an Additional Director of the Company with effect from July 25, 2014, pursuant to section 161 of the Companies Act, 2013, to hold office upto the date of the ensuing AGM. The Company has received a notice in writing under the provisions of section 160 of the Companies Act, 2013 from a member along with a deposit of Rs. 1,00,000 proposing the candidature of Miss Leela Murjani for the office of Independent Director to be appointed as such under the provisions of section 149 of the Companies Act, 2013.

The Company has received from Miss Leela Murjani (i) consent in writing to act as director in Form No DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under subsection (2) of section 164 of the Companies Act, 2013; and (iii) a declaration stating that she meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks approval of members for the appointment of Miss Leela Murjani as an Independent Director from the date of this Annual General Meeting till the date of the 30th Annual General Meeting pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. She is not liable to retire by rotation.

Miss Leela Murjani aged 64 years is a non-metric, further she has an experience for more than three decades in Administration, Finance, Accounts & Taxation and also having experience in industries.

The particulars of the aforesaid Director namely, age, qualification, past experience and other details are given separately in this Notice.

In the opinion of the Board of Directors, Miss Leela Murjani the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is independent of the management. A copy of the draft letter for the appointment of Miss Leela Murjani is available for inspection without any fee by the members at the Company's registered office during normal business hours upto the date of Annual General Meeting.

No director, key managerial personnel or their relatives, except Miss Leela Murjani is interested or concerned in the resolution.

The Company will be benefitted by her experience, expertise & knowledge. The Board recommends the resolution set forth in Item No. 6 for the approval of members.

On behalf of the Board of Directors  
For LEE & NEE SOFTWARES (EXPORTS) LTD.

Sd/-  
(Ajay Agarwal)  
Executive Director

Place : Kolkata

Date : The 29th August, 2014





**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Particulars	Mr. Vikash Kamani	Mr. Sushil Kumar Gupta	Miss Leela Murjani	Mrs. Arpita Gupta
Date of Birth	18.11.1980	02.09.1962	15.07.1950	24.02.1982
Appointed On	25.04.2014	25.07.2014	25.07.2014	24.10.2009
Qualification	Master in Commerce and an Associate member of Institute of Chartered Accountants of India.	Graduate	Non-Metric	Chartered Accountant
Expertise	He has 10 years experience in Accounts, Audit & Taxation in Ernst & Young and also having experience in Industries. He has experience in handling business administration & finance.	He has 35 years experience in accounts, Finance, <b>Indirect</b> Taxation, Electronic and Construction Business.	Executive with rich professional cum business experience for more than three decades.	She is experienced in Company Law, Auditing, Securities Contract Regulations Act and allied laws regarding listing, FEMA and other direct and indirect taxation. She is having eight years experience and well versed in Capital Market.
Directorship held in other Companies	NIL	Sarvodaya Beopar Ltd. Jay Tea Growers Pvt. Ltd. Aditya Infra project Pvt. Ltd. Kites Agencies Pvt. Ltd. Kammna Autoparts Sales Pvt. Ltd. Lamboder Leasing Trexim Pvt. Ltd.	Rituraj Shares Broking Pvt. Ltd.	Lensel Web Services (P) Ltd.
Committee Memberships, if any, with position	Chairman of Audit & Remuneration Committee of Lee & Nee Softwares (Exports) Ltd.	Member of Audit Committee of Lee & Nee Softwares (Exports) Ltd.	Member of Remuneration & Investor's Grievance Committee of Lee & Nee Softwares (Exports) Ltd.	1. Member of Remuneration Committee of Lee & Nee Softwares (Exports) Ltd. 2. Chairman of Investors Grievance Committee of Lee & Nee Softwares (Exports) Ltd.
Shareholding	NIL	NIL	292694 equity shares of Rs. 10 each	55200 equity shares of Rs. 10 each



**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

**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



## DIRECTORS REPORT

To,  
The Shareholders

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Statement of Accounts and their Report thereon for the year ended 31st March, 2014.

### Working and Financial Results

Total Receipts during the year was Rs. 18,315,579.57 as compared to Rs. 15,403,904.43 in the previous year and the profit during the year amounting to Rs. 85,980.95 as against profit of Rs. 125,561.36 in previous year.

Software sales has been increased by 23% as compared to the previous year. But the net profit of the company has reduced due to the increased cost and net off from sundry balances written off/back.

The Financial Highlights are given below:

Particulars	Figures for the Current Year (₹)	Figures for the Previous Year (₹)
Balance Brought Forward from the Last Year	(25,479,320.52)	(25,604,881.88)
Profit/(Loss) Before Depreciation and Taxation	394,373.65	411,904.03
	(25,084,946.87)	(25,192,977.85)
Less: Depreciation	(288,152.20)	(256,764.68)
Less: Taxation	(20,240.50)	(29,557.99)
Loss	(25,393,339.57)	(25,479,320.52)

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

### Future Prospects

Your company have achieved good amount of business from overseas market in this year. It has also made some improvement in the ERP business. The company sees a huge growth potential in the ERP business. It has been working as a SAP Partner till now and plans to work in the areas of Oracle Applications and Middleware Solutions like Service Oriented Architecture (SOA) in future. It also plans to strengthen its roots into the Mobile Applications business.

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

- Your company is now focused on successfully expanding ERP business across Eastern India.
- 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.
- Rapidly increase the sale of SAP Business One, the Business Management Software for Small & Medium Enterprises. It has also started working into Oracle Applications and Middleware Solutions using Service Oriented Architecture (SOA).
- Your Company is constantly trying to build relationships with eminent overseas clients to excel in the field of software and web development. It shall approach marketing houses abroad and act as choicest development partners in India.
- Your company is also planning to expand the sales in domestic market by updating its software products for Education, Healthcare and Finance Industry.
- Your company has entered into the Mobile applications business and needs more time to establish and spread its wings in this area.

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.



#### **Deposits**

The Company has not accepted any deposit from the Public.

#### **Directors**

Your Director Mrs. Arpita Gupta retires at the ensuing Annual General Meeting and being eligible offers herself 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.

Pursuant to the provisions of section 161 of the Companies Act, 2013, read with the relevant provisions in the Articles of Association, Mr. Vikash Kamani with effect from 25th April, 2014, Mr. Sushil Kumar Gupta and Ms. Leela Murjani with effect from 25th July, 2014 was appointed as an Additional Director by the Board of Directors of the Company. They hold office as the Director upto the forth coming AGM. Your Company has received a notice in writing from members proposing their candidature for the office of Independent Director. Mr. Kamani, Mr. Gupta and Ms. Murjani qualifies to be an Independent Director pursuant to the provisions of section 149(6) of the Companies Act, 2013.

Additional Information and brief profile, as stipulated under the Equity Listing Agreement for each of the above Directors seeking reappointment/ appointment is annexed to the Notice of the AGM.

#### **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibilities statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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 year.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the annual accounts have been prepared on a going concern basis.

#### **Auditors**

Your Auditors M/s Jain Sonu & Associates, Chartered Accountants also retire at the Annual General Meeting, are eligible for the re-appointment. The Auditor has furnished the certificate under section 224(1) (B) of the Companies Act, 1956 of their eligibility.

#### **Auditors' Observations**

As regards observations made by the Auditors, the relevant notes in the financial statement are self explanatory.

#### **Cash Flow**

In accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchanges, a cash flow statement duly verified by your Auditors together with the certificate is annexed hereto.

#### **Corporate Governance**

Your Company has complied with the requirements of Corporate Governance pursuant to clause 49 of Listing Agreement with the Stock Exchanges and a report to that effect is enclosed herewith.

#### **Subsidiary And Associate Companies.**

As on 31.03.2014, the Company had two subsidiaries namely Rituraj Shares Broking Pvt. Ltd. and Lensel Web Services Pvt. Ltd.

As per the provision of section 212 of the Companies Act, 1956, the Company is required to attach, inter alia the Director's Report, Balance Sheet and Statement of Profit & Loss of the Subsidiaries to its annual report. The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated February 8, 2011 has provided an exemptions to companies from complying with the provisions of section 212 subject to fulfillment of certain conditions as mentioned in the said circular. Accordingly, the annual report of the company for the FY 2013-14 does not contain the financial statements of the subsidiaries. As required under the aforesaid circular, the consolidated financial statements of the Company duly audited by the statutory auditors forms part of this Annual Report. Your Company shall make available the audited annual accounts and related information of its subsidiaries, to those



## Lee & Nee

Softwares (Exports) Ltd.

members who wish to have copies of the same and these documents will also be kept open for inspection by any member at the Registered office of the Company on any working day up to the date of the ensuing Annual General Meeting.

As at March 31, 2014, the Company had one Associate Company namely Hareesh Collections Pvt. Ltd.

The accounting of subsidiaries and associate have been done in consolidated financial statement in accordance with the Accounting Standards.

### Other Information

None of the employees were in receipt of remuneration exceeding limits prescribed u/s. 217(2A) of the Companies Act, 1956 and the Rules made thereunder.

As required u/s 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, Your Directors Report as follows :-

- |   |                               |  |
|---|-------------------------------|--|
| 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 a ERP vending, Implementation, supporting and training services.<br><br>An expansion in the operation is ahead through strategic alliances for Business Process Outsourcing Projects. |
| C | (a) Foreign Exchange Earning  | Rs. 14500040.30 (previous year Rs. 13157987.50)  |
|   | (b) Foreign Exchange Outgoing | Rs. Nil (previous year Rs. Nil)  |

### 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.

On behalf of the Board of Directors  
For LEE & NEE SOFTWARES (EXPORTS) LTD.

Place : Kolkata  
Dated : 29th August, 2014

Directors : 1. Ajay Agarwal  
2. Arpita Gupta





**ANNEXED TO AND FORMING PART OF THE DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**

**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 31.03.2014 to the various Stock Exchanges aggregating to Rs. 164622/- has been paid.

**CORPORATE GOVERNANCE**

(Pursuant to Clause 51 of the Listing Agreement entered into with the Stock Exchanges)

1. The Company is committed to the best practice in the area of Corporate Governance. The Company believes that proper corporate governance facilitates effective management and control of business. This in turn, enables the Company to deliver the best results to all its shareholders. The objective can be summarized as:
- To enhance shareholders value
  - To protect interest of shareholders.
  - To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
  - To ensure accountability for performance and to achieve excellence at all levels.

**The Company is committed to:**

- Ensure that the Company's Board of Directors meets regularly, provides effective leadership, exercises control over management and monitors executive performance.
- Establish a framework of strategic control and continuously review its efficacy.
- Establish clearly documented and transparent management process for policy development, implementation and review, decision-making, monitoring, controlling and reporting.
- Provide free access to the Board, to all relevant information, advice, resources as are necessary to enable it to carry out its role effectively.
- Ensure that a senior executive is made responsible to the Board to ensure compliance with all applicable statutes, regulations and other procedures, policies as laid down by Board and report deviation, if any, to the Board.

**2. BOARD OF DIRECTORS :**

**(A) Composition of Board as on 31.03.2014**

The Board of Directors comprises of three Directors. The Composition is as under:

Name of the Director	Position	No. of Meetings Held	No. of Meeting attended	Whether attended last AGM	No. of other directorship	No. of Committee Membership (Including in the Company)	
						Member	Chairman
Mr. Ajay Agarwal	Executive Director	7	6	Yes	1	1	1
Mr. Sagarmal Gupta	Promoter Director	7	7	Yes	2	2	1
Mrs. Arpita Gupta	Independent/ Non-Executive Director	7	7	Yes	1	NIL	1

Seven Meetings of the Board of Directors were held during the year ended on 31st March, 2014. These were held on: 27th April, 2013, 27th July, 2013, 30th August, 2013, 25th October, 2013, 21st December, 2013, 11th January, 2014, 31st January, 2014.



**(B) Non-executive Directors' compensation & disclosures**

Name of the Director	Sitting fees	Compliance Fees	Total
1. Mrs. Arpita Gupta	Nil	Rs. 21000	Nil
2. Mr. Sagarmal Gupta	Nil		Nil

• Sitting Fees constitute fees paid to Non-executive directors for attending Board and Committee Meetings.

• The Company did not have any pecuniary relationship or transaction with the Non-Executive directors except professional fees to Mrs. Arpita Gupta during the year 2013-2014.

**Notes on retirement of the director by rotation and reappointment**

Mrs. Arpita Gupta retires by rotation and being eligible seeks re- appointment and her brief resume is mention below:

Date of Birth: 24.02.1982, Date of Appointment: 24/10/2009

She is a practicing Chartered Accountant. She is experienced in Company Law, Auditing, Securities Contract Regulations Act and allied laws regarding listing, FEMA and other direct and indirect taxation. She is having eight years experience in Trade and industry and well versed in Capital Market.

**(C) Other provisions as to Board and Committees -**

The Board held seven meetings during the year 2013-2014, 27th April, 2013, 27th July, 2013, 30th August, 2013, 25th October, 2013, 21st December, 2013, 11th January, 2014, 31st January, 2014. The agenda paper was circulated well in advance of each meeting and all the relevant information as required by clause 49 of the Listing Agreement was made available to the Board of Directors.

No Director holds membership of more than 10 committees of Boards nor is any Director, chairman of more than 5 Committees of Boards.

**(D) Code of Conduct -**

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been hosted on the website of the Company [www.linsel.com](http://www.linsel.com).

All Board members and senior management personnel have affirmed their compliance with the code. The Annual Report contains a declaration to this effect signed by the Directors of the Company.

**3. AUDIT COMMITTEE :**

**(A) Qualified & Independent Audit Committee -**

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 (IIC) and (D) of the Listing Agreement. 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. The Audit Committee comprises of two directors as under:

1. Mrs. Arpita Gupta - F.C.A. Independent/Non-Executive - Chairman
2. Mr. Sagarmal Gupta - F.C.A. Promoter, Non-Executive - Member

**(B) Meeting of Audit Committee-**

The Committee has met 7 times in the financial year ended 31st March 2014. They were held on 27th April, 2013, 27th July, 2013, 30th August, 2013, 25th October, 2013, 21st December, 2013, 11th January, 2014, 31st January, 2014. The minutes of the meeting of the Audit Committee is reviewed and noted by the Board. The Composition of the Committee and the attendance at the meetings of the Committee is given below.

Name of the Director	Category	Position	No. of Meeting Held	No. of Meeting attended
Mrs. Arpita Gupta	Independent/Non-Executive	Chairman	7	7
Mr. Sagarmal Gupta	Promoter	Member	7	7



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

The Powers 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 -

- Overview 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.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies act, 1956.
  - Changes, if any, in accounting policies and practices and reasons of the same.
  - Major accounting entries involving estimates based on the exercise of judgement by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly, half yearly and yearly 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, monitoring the utilization of proceeds of a public or rights issue, reviewing the report submitted by the monitoring agency, and making appropriate recommendations to the Board.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing an 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.
- Looking into the reason for substantial default in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- 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 any other function as is mentioned in the terms of reference of the Audit Committee.



**(E) Review of information by Audit Committee -**

The Company has systems 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 weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to be reviewed by the Audit Committee.

**4. 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 shall be placed at the board meeting of the listed holding company. The management periodically bring 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.

**5. DISCLOSURES :**

**(A) Basis of related party transactions -**

The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.

**(B) Board Disclosures -**

**Disclosures of Accounting Treatment -** In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**Disclosures on Risk Management -** The risk assessment and minimization procedures are in place and the Audit Committee of the Board is regularly informed about the business risks and the steps taken to mitigate the same.

**(C) Proceeds from public issues, rights issues, preferential issues etc. :**

The Company did not raise any money through any issue during the year 2013-2014.

The Company has complied with all rules and regulations prescribed by the Stock Exchanges, SEBI or any Statutory Authority relating to the Capital Markets during the last three years. No penalties structures have been imposed by them on the Company.

**(D) Remunerations of Directors :**

The Company has a remuneration committee comprising of two Directors. The composition of the committee is as follows -

Name of the Director	Position	No. of Meeting Held	No. of Meeting attended
Mr. Ajay Kumar Agarwal	Executive Director	7	6
Mr. S. M. Gupta	Promoter Director	7	7

**(E) 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.

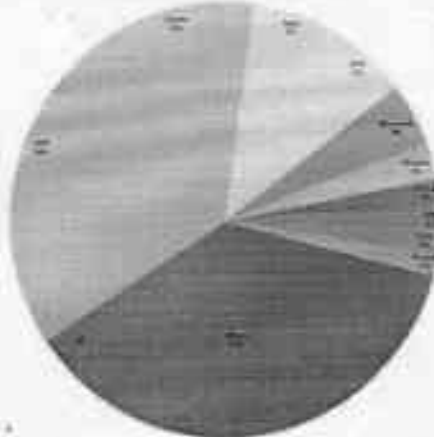
Organizations consider the ERP system a vital organizational tool because it integrates varied organizational systems and enables flawless transactions and production.



#### **SAP**

Your company is a Partner of SAP which is a major Enterprise Software company with a long history of different software solutions. The worldwide Enterprise Software Market (ERP) market grew just 3.8% in 2013, a slight improvement of 2.2% growth in 2012. However, SAP retained their market leadership position in 2013, selling \$6.1B in ERP software up from \$6B in 2012. The following graphic shows worldwide ERP software market share for 2013.

Worldwide ERP Software Market Share, 2013  
Market Size: \$25.4B, 3.8% Growth Over 2012



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

#### **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. Your 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 smartphones in use in India by 2016. The exponential growth of smartphone 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 you to plan, design, develop and deliver a customized application to suit your 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 look forward to expand its business further in coming years.

#### **Oracle SOA:**

Oracle SOA Suite 11g is a member of the Oracle Fusion Middleware family of products. Oracle SOA Suite 11g is the only offering that is complete, integrated, best-of-breed and hot-pluggable. Across these differentiators, it enables next generation SOA capabilities through:

- A unified and declarative toolset by which business users and developers can work together to develop business applications.
- A single Business Process Platform with which to orchestrate people, systems and documents into processes that can be monitored and optimized in real time.
- A 100% standard platform that is service enabled and easily consumable by modern web applications, allowing enterprises to quickly and easily adapt to changes in their business and IT environments.





- Greater visibility, controls and analytics to govern how services and processes are deployed, reused and changed across their entire lifecycle.

Oracle SOA transforms complex application integration into agile and reusable service-based connectivity by mediating, routing, and managing interactions between services and applications in the enterprise and in the cloud. Requirements for application integration have significantly expanded over the last decade to include support for business activity monitoring, event processing, business rules, B2B integration, and more. Organizations now need a unified development, runtime, monitoring, and management interface across these components. Only Oracle SOA provides a unified approach with a single interface for all of your current and future integration requirements to reduce risk, speed time to market, respond faster to business requirements, and lower total cost of ownership.

#### **BPO Business:**

The outsourcing represents one of the highest potential for India's economic growth and will continue to grow further. Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to proper growth in FY2014. NASSCOM expects the industry to clock export revenues of USD 84-87 bn maintaining a growth rate of 12-14 per cent. Domestic revenues will also grow at a rate of 13-15 per cent and are expected to reach INR 1180-1200 bn. The industry is no longer business process outsourcing, it has evolved into business process management (BPM).

#### **IT staffing and Training Services :**

Your company has recently ventured into IT staffing and training services. 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 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 adopt 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.

India aims to transform India into a truly developed and empowered society by 2020. However, to achieve this growth, the sector has to continue to re-invent itself and strive for that extra mile, through new business models, global delivery, partnerships and transformation. A collaborative effort from all stakeholders will be needed to ensure future growth of India's IT-ITeS sector. We will need to rise up to the new challenges and put in dedicated efforts toward providing more and more of end-to-end solutions to the clients to keep the momentum going.

#### **THREATS**

The global financial industry continues to pass through uncertain times. The tighter regulation to combat this uncertainty has led to protectionist tendencies in some of our markets. It may pose the threat of visa issues in Onsite deployment. New projects continue to face budget constraints for IT investments as the focus is still on regulatory compliance.

Various operation and execution plans continuously watch for such developments and constraints to business strategy and plans. Need based Strategy and operational plans are continuously recalibrated to minimize the impact of such threats to business objectives and goals.

The key challenge today is to deliver a superior business outcome as cost arbitrage no longer remains a differentiator. Hence, there is a need to reinvent the business model through innovation and a renewed focus on the use of new technologies.

Countries like Malaysia, China and the Philippines in Asia; Egypt and Morocco in North Africa; Brazil, Mexico, Chile and Columbia in Latin America; and Poland and Ireland in Europe are emerging as attractive outsourcing destinations, posing a significant threat to India as a delivery location. According to NASSCOM, in the last five years, India has lost about 10 % market share to the rest of the world in the BPM space, most of which is in the voice contract segment. In terms of competition, though China faces challenges like language proficiency, it is making large investments to increase English proficiency. The Philippines, which is the second largest destination for outsourcing, is also a serious competitor.

#### **Growth:**

The resilient \$270-billion plus Indian IT industry returned to the higher growth trajectory in 2013 and hopes to gain momentum in the ensuing year for a greater share of the global multi-billion dollar outsourcing market.

Pulling behind a turbulent 2012, the industry consolidated its presence in the software services sector, posting better results to register a healthy 12-14 per cent growth thus far as against 10 percent last fiscal (2012-13).



"We have seen a significant increase in global technology spending this year, creating opportunities for the Indian software services sector to post double digit growth again in export as well as in the domestic markets," a top industry representative said.

**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:**

Globalization has had a profound impact in shaping the Indian Information Technology industry. Over the years, verticals like manufacturing, telecom, insurance, banking, finance and lately the retail, have been the growth drivers for this sector. But it is very fast getting clear that the future growth of IT and IT enabled services will be fuelled by the verticals of climate change, mobile applications, healthcare, energy efficiency and sustainable energy. The near future of Indian IT industry sees a significant rise in share of technology spend as more and more service providers both Indian and global target new segments and provide low cost, flexible solutions to customers.

By 2015, IT sector is expected to generate revenues of USD 130 billion (NASSCOM) which will create a transformational impact on the overall economy. IT spending is expected to significantly increase in verticals like automotive and healthcare while the government, with its focus on e-governance, will continue to be a major spender.

**Internal Control System and their adequacy:**

The Company has an Internal Control and Audit System Commensurate with its size and nature of its business.

**Discussion on financial performance with respect to operational performance: -**

The sales of the Company have increased by 23% in this year. The company has been able to signed deals with few overseas companies that provide regular and good volume of business. It is looking forward to sign more such deals in the coming years. But the net profit of the company is reduced as compared to previous year due to increased cost & due to lack of working in optimum capacity due to heavy manpower attrition and non availability of appropriate manpower who can maintain the standards and quality of delivery. 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 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. The company has already got orders from 4 prestigious Universities of India and look forward to add many more in the near future. Mobile Apps is another area in which the company has a huge potential of business both in domestic as well as overseas market. The company is very positive to get good volume of business in the coming years. 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:**

Human Capital is the most important element of the Company 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.

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 2014-15 and are exploring new avenues to decrease hiring turnaround times.

**F. SHAREHOLDERS GRIEVANCE COMMITTEE:**

All the information's regarding the Company and its working are regularly uploaded in the Company's Website viz. [www.linsel.com](http://www.linsel.com)

For the quick redressal of the shareholders and the investor's grievances, investor's grievance committee has been formed. The members of the Investors Grievance Committee are -

Name of the Members	Position
Mr. Ajay Kr. Agarwal	Executive Director
Mr. S.M. Gupta	Member



## Lee & Nee Softwares (Exports) Ltd.

The total number of complaints received during the year, were replied to the satisfaction of shareholders. There were no complaints pending as on 31st March, 2014.

Mrs. Arpita Gupta has been designated as the Compliance Officer to look after 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.

### 6. Corporate Governance

All the regulations of Corporate Governance have been duly complied with.

The Company has been regularly complying with the Corporate Governance regulations as certified by the Companies Auditor.

### 7. General Body Meetings:

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

Annual General Meeting	Day	Date	Time	Venue
23rd Annual General Meeting	Saturday	24/09/2011	11 A.M	Shishir Mitra Hall, Webel Bhawan, Kolkata-700091
24th Annual General Meeting	Saturday	29/09/2012	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
25th Annual General Meeting	Saturday	28/09/2013	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091

No Extraordinary General Meeting was held during the financial year 2013-14. 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.

### 8. Means of Communication

The quarterly financial results of the Company are sent to the Stock Exchange immediately after being 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.inseel.com](http://www.inseel.com) soft copies of the financial results are also mailed to [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

Presentations are made to institutional Investors or Analysts on specific request

### 9. General Shareholders Information

#### 9.1 Registered Office

14B, Camac Street, Kolkata - 700 017

#### 9.2 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@inseel.com](mailto:investors@inseel.com)

#### 9.3 Plant Location

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

#### 9.4 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. 2243 5029/5809, Fax no. 2248 4787, E-mail - mdpl@cal.vsnl.net.in

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.

**9.5 Annual General Meeting :**

Date : 27th September'2014  
Time : 11.00 A.M  
Venue : Shishir Mitra Hall  
Weber Bhawan, 3rd Floor, Block EP & GP, Sector V, Saltlake, Kolkata - 700 091.

**9.6 Book Closure:**

20th day of September 2014 to 27th day of September, 2014. (Both days inclusive)

**9.7 Listing of Securities:**

**Name of the Stock Exchange:**  
The Bombay Stock Exchange Ltd.  
The Calcutta Stock Exchange Association Ltd.  
The Ahmedabad Stock Exchange Ltd.

**9.8 Green Initiative for Paperless Communications**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to serve various notices / documents to its shareholders through electronic mode. This move by the ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit and saves time, trees, energy and costs. Pursuant to the said circular, the Company has already sent the communication on 2nd of July, 2012 to all the shareholders to register their e-mail id with the Company. In view of this, the Company proposes to send all notices and documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, Postal Ballot Papers, etc. to the shareholders in the electronic mode at the designated e-mail address furnished by them. In this regard, we request shareholders who have not registered their e-mail addresses, so far to register their e-mail addresses, in respect of electronic holding with depository through their concerned depository participants and members holding shares in physical form are requested to register the same with Maheswari Datamatics Pvt. Ltd., Registrar & Share Transfer Agents of the Company.

**9.9 (a) Distribution of Shareholding:**

The shareholding distribution of Equity Shares as of 31st March, 2014 is given below:

Sl No.	No. of Equity Shares Held			No. of Share Holders	No. of Shares	% of Shareholding
1.	1	to	500	16413	2957340	5.3024
2.	501	to	1000	1379	1192660	2.1384
3.	1001	to	2000	703	1128489	2.0233
4.	2001	to	3000	215	563993	1.0112
5.	3001	to	4000	88	322927	0.5790
6.	4001	to	5000	118	561886	1.0074
7.	5001	to	10000	149	1085495	1.9462
8.	10001	to	Above	176	47961210	85.9921
				<b>19241</b>	<b>55774000</b>	<b>100.0000</b>



## Lee & Nee

Softwares (Exports) Ltd.

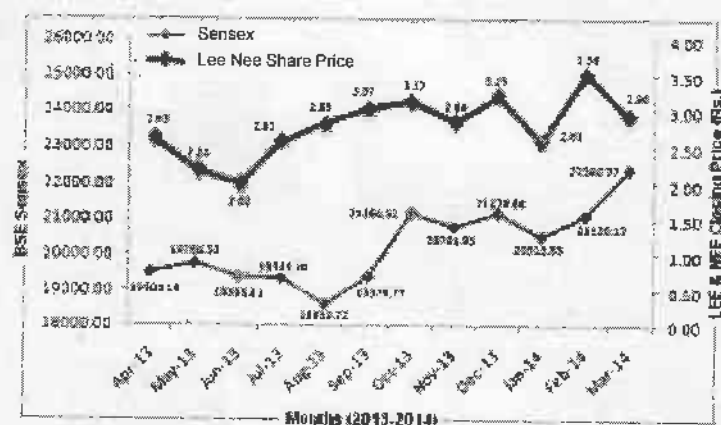
### 9.9 (b) Market Price Data:

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 2013	3.20	2.01	240303
May 2013	2.84	2.06	418893
June 2013	2.55	1.73	850373
July 2013	4.29	2.00	357031
August 2013	3.26	2.26	100308
September 2013	3.75	2.84	147987
October 2013	3.77	2.95	59605
November 2013	3.19	2.50	33683
December 2013	3.25	2.38	29537
January, 2014	3.60	2.49	39893
February, 2014	3.80	2.40	825015
March, 2014	3.69	2.65	84181

Source: [www.bseindia.com](http://www.bseindia.com)

### 9.10 Performance in comparison to broad based indices



### 9.11. Shareholding Pattern (as on 31.03.2014)

Category	No. of Holders	No. of Shares	% of holding
PROMOTER	12	38462307	68.9610
NRI	25	56296	0.1009
FII	--	--	--
OCB	--	--	--
IFI	--	--	--
IMF	--	--	--
BANK	--	--	--
EMPLOYEES	--	--	--
BODIES CORPORATE	209	909494	1.6307
CM	9	24690	0.0443
PUBLIC	18986	16321213	29.2632
TRUST	--	--	--
<b>Total</b>	<b>19241</b>	<b>55774000</b>	<b>100.0000</b>





**9.12. 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 96.79% i.e. 53987422 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2014.

**9.13. 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.

**9.14. Financial Calendar 2014 - 2015**

First Quarterly Results	:	July, 2014
Second Quarterly Results	:	October, 2014
Third Quarterly Results	:	January, 2015
Annual results for the year ending on 31st March, 2015	:	On or before 30th April, 2015.
Annual General Meeting for the Year ending on 31st March, 2015	:	On or before 30th September, 2015

Place : Kolkata  
Dated : The 29th August, 2014

On behalf of the Board of Directors  
For LEE & NEE SOFTWARES (EXPORTS) LTD.

AJAY AGARWAL  
Director

ARPITA GUPTA  
Director



**Lee & Nee**  
Softwares (Exports) Ltd.

**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: 29th August, 2014

(SONU JAIN)  
Partner  
Membership No :060015



## INDEPENDENT AUDITORS REPORT

To,

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

1. We have audited the accompanying Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & 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 Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation & presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depend on 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 auditors considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used & the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2014,
  - ii) in the case of Statement of Profit and Loss of the profit of the Company for the year ended on that date; and
  - iii) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs of 4 & 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



**Lee & Nee**  
Softwares (Exports) Ltd.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2014 from being appointed as a Director in terms of Section 274(1) (g) of the Act.

For JAIN SONU & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 324386E

**SONU JAIN**

Partner

Membership Number: 060015

Place: Kolkata

Dated: 29th August, 2014



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**  
(REFERRED TO IN PARAGRAPH 7 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 assets have been physically verified by the management at reasonable intervals. As informed, 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 (ii) of the order is not applicable to the Company.
- (iii) The company has neither taken nor granted any loans, secured or unsecured, from or to companies, firms or persons listed in Register maintained under section 301 of the Companies Act, 1956 therefore provisions of Clause 4(iii)(a) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 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 inventory and 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) a) According to information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the Register maintained under that section.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts & arrangements referred to in (a) above and exceeding the value of Rs. 5 lakh with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, on the basis of information & explanations provided, the same appear reasonable.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public, hence clause (vi) of the Order is not applicable to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us the maintenance of cost record has not been prescribed by the Central Government under Sec 209 (i) (d) of the Companies Act, 1956 for the products of the Company.
- (ix) 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, 2014 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.
- (x) The Company has accumulated losses amounting to Rs. 25,393,339.57 as at 31st March, 2014 and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) 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.





- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities accordingly clause 4(xii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xiii) The Company is not a nidhi/mutual benefit fund/society, therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions accordingly clause 4(xv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xvi) The Company has not taken any term loans, therefore the provisions of Clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For JAIN SONU & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 324386E

SONU JAIN  
Partner

Membership Number: 060015

Place: Kolkata  
Dated: 29th August, 2014



**BALANCE SHEET AS AT 31ST MARCH, 2014**

SI No.	PARTICULARS	NOTES	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholder's Fund			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	(25,383,339.57)	(25,469,320.52)
			<b>532,356,660.43</b>	<b>532,270,679.48</b>
2	Non-Current Liabilities			
(a)	Other Long Term Liabilities	4	1,394,822.08	674,418.08
			<b>1,394,822.08</b>	<b>674,418.08</b>
3	Current Liabilities			
(a)	Trade Payables	5	3,062,689.10	4,014,918.58
(b)	Other Current Liabilities	6	119,613.00	26,951.00
(c)	Short-term Provisions	7	143,678.77	123,438.27
			<b>3,325,980.87</b>	<b>4,165,307.85</b>
	<b>Total</b>		<b>537,077,463.38</b>	<b>537,110,405.41</b>
<b>II</b>	<b>ASSETS</b>			
1	Non-Current Assets			
(a)	Fixed Assets	8		
i)	Tangible Assets		723,338.56	759,357.31
ii)	Intangible Assets		244,159,342.14	244,012,212.35
			<b>244,882,680.70</b>	<b>244,771,569.66</b>
(b)	Non-Current Investments	9	208,689,283.62	64,422,187.41
(c)	Long Term Loans & Advances	10	24,225,055.54	55,841,912.89
(d)	Other Non-Current Assets	11	100,000.66	100,000.66
			<b>477,897,020.52</b>	<b>365,135,670.62</b>
2	Current Assets			
(a)	Trade Receivables	12	146,640.85	1,400,841.50
(b)	Cash and Bank Balances	13	2,480,349.41	4,029,291.01
(c)	Short Term Loans & Advances	14	56,310,228.82	166,282,154.70
(d)	Other Current Assets	15	243,223.78	262,447.58
			<b>59,180,442.86</b>	<b>171,974,734.79</b>
	<b>Total</b>		<b>537,077,463.38</b>	<b>537,110,405.41</b>

Significant Accounting Policies  
The accompanying notes are an integral  
part of the financial statements  
In terms of our separate report of even date

1  
2 to 34

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324386E

SONU JAIN  
Partner  
Membership Number: 060015

Place: Kolkata  
Dated 29th August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD

Ajay Agarwal  
Director

Arpita Gupta  
Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Sl No.	PARTICULARS	NOTES	For the year ended 31.03.2014 Amount (₹)	For the year ended 31.03.2013 Amount (₹)
I	<b>INCOME</b>			
	Revenue From Operations			
	Sale of Software Services (ITES)			
	- Exports (Current Year - USD 238865.50 & Prev. Year - USD 241719.05)		14,500,040.30	13,157,987.50
	- Domestic		3,141,485.70	1,167,933.55
	Other Income	16	674,053.57	1,077,983.38
	<b>Total Income</b>		<b>18,315,579.57</b>	<b>15,403,904.43</b>
II	<b>EXPENSES</b>			
	Purchase (Software Service)		4,636,905.80	2,655,987.75
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	17	-	4,510,199.76
	Employee Benefits Expense	18	2,500,807.51	1,469,087.91
	Depreciation		288,152.20	256,784.68
	Other Expenses	19	10,783,492.61	6,356,724.98
	<b>Total Expenses</b>		<b>18,209,358.12</b>	<b>15,248,785.08</b>
III	<b>Profit before tax (I-II)</b>		106,221.45	155,119.35
IV	<b>Tax expense:</b>			
	Current tax		20,240.50	29,557.99
V	<b>Profit after tax (III - IV)</b>		85,980.95	125,561.36
VI	Earning per equity share- par value of Rs 10 per share			
	Basic & Diluted		0.002	0.002

Significant Accounting Policies 1

The accompanying notes are an integral  
part of the financial statements 2 to 34

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324386E

**SONU JAIN**  
Partner  
Membership Number: 060015

Place: Kolkata  
Dated: 29th August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD

Ajay Agarwal      Arpita Gupta  
Director              Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Sl No.	PARTICULARS	For the year ended 31.03.2014		For the year ended 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I.</b>	<b>CASH FLOWS</b>				
1	From Operating Activities				
	(a) Net Profit before tax from Operating Activities		106,221		155,119
	Adjustments:				
	Depreciation and amortisation	288,152		256,785	
	Profit on sale of Investment			(23,546)	
	Interest & Dividend	(345,986)		(636,719)	
	Profit on Investment ( in partnership Firm)	(2,618)		3,120	
	Sundry Balance written -off	2,639,039		2,188,680	
	Assets written off			243,096,633	
			2,576,588		244,884,953
	Operating Profit/ Loss before working capital changes		2,684,810		245,040,072
	(b) Working Capital changes:				
	Accretion/ Depletion of Stock			4,510,200	
	Decrease/ ( Increase) in trade receivables	1,254,201		(749,658)	
	Decrease/ (Increase) in short-term loans & advances	109,971,926		(149,027,405)	
	Decrease/ (Increase) in other current assets	19,224		131,224	
	Increase/ ( Decrease) in Trade Payables	(952,229)		1,767,541	
	Increase/ ( Decrease) in other current liabilities	92,662		(42,512)	
	Increase/ ( Decrease) in provisions	20,240	110,406,023	29,558	(143,381,052)
	Cash generated from Operating Activities		113,090,833		101,659,020
	Income Taxes Paid		(20,240)		(29,558)
	<b>Net Cash from Operating Activities Total of (1)</b>		<b>113,070,592</b>		<b>10,16,29,462</b>
2	From Investing Activities				
	Purchase of Fixed Assets	(399,263)		(211,787)	
	Purchase/Sale of Investment	(168,860,355)		(4,499,243)	
	Profit on sale of Investment			23,546	
	Decrease in other long term loans & advances	31,616,857		8,528,067	
	Increase/ (Decrease) in Other Long Term liabilities	720,404		(99,993,673)	
	Decrease in other non-current assets			1,698,818	
	Dividend received	251		1,886	
	Interest received	345,735		634,833	
	Other income	(2,639,039)		(2,188,680)	
	Investment in Partnership Firm	24,593,259		(2,321,880)	
	Profit on Investment ( In partnership firm)	2,618		(3,120)	
	<b>Net Cash from Investing Activities Total of (2)</b>		<b>(114,619,534)</b>		<b>(98,331,233)</b>
3	From Financing Activities				
	<b>Total of (3)</b>				
<b>II.</b>	<b>Net (decrease)/increase in Cash and Bank Balances (I-II)</b>				
	<b>Total Cash flows (1+2+3)</b>		(1,548,942)		3,298,229
	Add: Cash and Bank Balances at the beginning of the period		4,029,291		731,062
<b>III.</b>	<b>Cash and Bank Balances at the end of the period</b>		<b>2,480,349</b>		<b>4,029,291</b>

For LEE & NEE SOFTWARES (EXPORTS) LTD.  
AJAY AGARWAL      ARPITA GUPTA  
Director                      Director



**Lee & Nee**  
Softwares (Exports) Ltd.

#### AUDITOR'S REPORT

We have certified the Cash Flow Statement of M/s. LEE & NEE SOFTWARES (EXPORTS) LIMITED, KOLKATA derived from the audited financial statements and the Books & Records maintained by the Company for the year ended 31st March 2014 and found the same in agreement therewith.

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324386E

SONU JAIN  
Partner  
Membership Number: 060015

Place: Kolkata  
Dated: 29th August, 2014



**NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014**

**NOTE-1 SIGNIFICANT ACCOUNTING POLICIES**

**1) SIGNIFICANT ACCOUNTING POLICIES**

The financial statement has been prepared under historical cost convention and as going concern concept and in accordance with the Generally Accepted Accounting Principles in India, the applicable mandatory accounting standards notified by the Companies(Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**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, Trade Licence which is recorded on cash basis.

**b) 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.

**c) 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.

**d) Investments:**

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.

**e) Depreciation :**

Depreciation on all Fixed Assets has been provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956 on prorata basis.

**f) Valuation of Inventories :**

Softwares Packages/products are valued at cost.

**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.



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
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NOTE - 2

**SHARE CAPITAL**

Authorised

60,000,000 (previous year : 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 (previous year : 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, 2014		As at 31st March 2013	
	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	4446678	7.9727
Rajkumari Agarwal	4650880	8.3388	4233213	7.5899
Rituraj Shares Broking Pvt. Ltd.	-	-	14280069	25.6035
Rituraj Shares & Securities Ltd.	7902853	14.1694	3886153	6.9677
Haresh Collections Pvt Ltd.	9715281	17.419		

**iv) The Company, out of the 55774000 equity shares of Rs 10 each, during the financial year 1990-91, 800000 equity shares had called up for Rs. 0.50 paise each aggregating to Rs 400000 only allotted for consideration other than cash.**

Pursuant to order of the Honorable Calcutta High Court, during the financial year 1999-2000, 5000000 equity shares of Rs. 10 each on merger of Lensei Finance Ltd.

16704000 equity shares of Rs 10 each fully paid upto three amalgamating companies during the financial year 2000-01

29080000 equity shares of Rs 10 each fully paid upto five amalgamating companies during the financial year 2007-08





NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>NOTE - 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
a. Capital Reserves		
Opening Balance	10,000.00	10,000.00
Closing Balance	10,000.00	10,000.00
b. Surplus		
Opening Balance	(25,479,320.52)	(25,604,881.88)
Add: Net Profit / (Loss) for the current year	85980.95	125561.36
Closing Balance	(25,393,339.57)	(25,479,320.52)
Total	<u>(25,383,339.57)</u>	<u>(25,469,320.52)</u>
<b>NOTE - 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Others		
- Others	1394822.08	674418.08
	<u>1394822.08</u>	<u>674418.08</u>
<b>NOTE - 5</b>		
<b>TRADE PAYABLES</b>		
i) Salary Payable	375860.00	223248.00
ii) Service Provider Charges Payable	33305.00	45207.00
iii) Expenses Payable	2147129.35	2992254.17
iv) Other Payables	506394.75	754209.41
	<u>3062689.10</u>	<u>4014918.58</u>
<b>NOTE - 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) Trade Advances	106,596.00	18,276.00
ii) Statutory Payables	13,017.00	8,675.00
	<u>119,613.00</u>	<u>26,951.00</u>
<b>NOTE - 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for taxation	143,678.77	123,438.27
	<u>143,678.77</u>	<u>123,438.27</u>

# LEE & NEE SOFTWARES (EXPORTS) LTD.

## NOTE 8 - FIXED ASSETS

### NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 01.04.2013	Addition During the year	Sales/Adj. during the year	As at 31.03.2014	As at 01.04.2013	As at 31.03.2014
<b>(i) TANGIBLE ASSETS</b>						
Leasehold Premises	6,187,500.00	-	-	6,187,500.00	6,187,500.00	-
Plant and Equipment						
Computers	2,379,155.83	164,483.00	-	2,543,638.83	2,100,343.24	2,254,241.97
Others	868,327.00	8,000.00	-	876,327.00	627,416.64	661,162.13
Access Control System	15,580.50	-	-	15,580.50	10,741.11	11,414.27
Air Condition	79,202.52	-	-	79,202.52	56,263.70	3,190.71
UPS	9,431.39	16,950.00	-	26,381.39	2,667.01	2,666.78
Networking Equipment						
Head Sets	67,080.00	-	-	67,080.00	28,101.50	33,523.41
Other Equipment	238,680.00	-	-	238,680.00	132,828.73	147,552.64
Furniture & Fittings						
Furniture & Fixtures	409,666.56	-	-	409,666.56	349,384.56	10,911.05
Total of Current Year	10,254,623.80	189,433.00	-	10,444,056.80	9,495,266.49	9,720,718.24
Total of Previous Year	253,139,469.40	211,786.92	243,096,632.52	10,254,623.80	9,290,156.21	205,110.30
<b>(ii) INTANGIBLE ASSETS</b>						
Goodwill	243,934,700.78	-	-	243,934,700.78	-	243,934,700.78
Computer Software	878,782.00	209,830.24	-	1,088,612.24	801,270.43	863,970.88
Total of Current Year	244,813,482.78	209,830.24	-	245,023,313.02	801,270.43	863,970.88
Total of Previous Year	244,813,482.78	-	-	244,813,482.78	749,596.05	801,270.43
TOTAL (₹)	255,068,106.58	399,263.24	-	255,467,369.82	10,296,536.92	288,152.20
TOTAL OF PREVIOUS YEAR	497,952,952.18	211,786.92	243,096,632.52	255,068,106.58	10,039,752.26	256,784.68

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES

Chartered Accountants

Firm's Reg. No. 324369E

SONU JAIN

Partner, M. No. 080016

Place : Kolkata

Dated : The 29th day of August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD.

AJAY AGARWAL

Director

ARPITA GUPTA

Director



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014  
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
85700	1,071,250.00	Crazy Infotech Ltd ( Trade)	-	-
200	1,200.00	Century Extrusions Ltd.	200	1,200.00
65	940.53	ICICI Ltd	65	940.53
25	2250.00	Finolex Pipe Ltd.	-	0.00
100	100.00	NTC Industries Ltd. (R.D.B. Industries Ltd.)	100	100.00
86290	1,077,970.53		565	4,470.53

2. UNQUOTED : OTHER THAN TRADE : AT COST

INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

268800	1,522,400.00	Aashiana Agro India Ltd	-	-
106	2,120.00	Enkay Texofood Ltd	106	2,120.00
300	61,200.00	Krone Communication Ltd ( Trade)	300	61,200.00
50	1,500.00	PCS Data Products Ltd ( Trade)	50	1,500.00
100	515.00	Neena Consultants Ltd	100	515.00
-	-	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)

4890	3,102,216.00	Lensel Web Services (P) Ltd	10000	3,614,700.00
		( Equity Shares of Rs. 100 each)		
7491	8,298,829.44	Rituraj Share Broking Pvt Ltd	36200	29,637,850.71
		( Equity Shares of Rs 100 each)		
281837	12,996,980.44		55031	182,928,585.71
368127	14,074,950.97	Total	55596	182,933,056.24

Total Cost of Quoted Investments	Rs. 6720.53	(Previous Year Rs. 1077970.53)
Total Cost of Unquoted Investments	Rs. 182928585.71	(Previous Year Rs. 12996980.44)
Market Value of Quoted Investments	Rs. 88195.25	(Previous Year Rs. 111351.75)

INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS

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

No. of Shares	Amount (₹)		No. of Shares	Amount (₹)
		Investment in Partnership Firm		
		M.M. International		
50,347,236.44		(Other Partner: Mahesh Gupta) (Share of Profit - 50%) Rs. 746,672.74		25,753,977.38
		Total Capital: Rs (5209388.42)		
50347236.44				25,753,977.38
64,422,187.41		GRAND TOTAL		208,689,283.62

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES

Chartered Accountants

Firm's Reg. No. 324386E

SONU JAIN

Partner, M. No. 060015

Place : Kolkata

Dated : The 29th day of August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD.

AJAY AGARWAL

Director

ARPITA GUPTA

Director


**NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014**

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
	Amount (₹)	Amount (₹)
<b>NOTE - 10</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
Unsecured-Considered Good :		
i) Loans (Interest accrued thereon)	2,363,710.00	3,475,684.00
ii) Advances recoverable in cash or in kind or value to be received	20,971,098.09	51,897,807.91
iii) Security Deposits	261,785.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	272,618.20	206,635.73
b) Minimum Alternate Tax Credit entitlement	355,844.00	-
	<u>24,225,055.54</u>	<u>55,841,912.89</u>
<b>NOTE - 11</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Trade Receivables (Unsecured, considered Good)	<u>100,000.66</u>	<u>100,000.66</u>
<b>NOTE - 12</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured-Considered Good)		
1 Outstanding for a period exceeding six months from the due date of payment	-	3,090.00
2 Other Debts	146,640.85	1,397,751.50
	<u>146,640.85</u>	<u>1,400,841.50</u>
<b>NOTE - 13</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash & Cash Equivalents		
a) Balance with Banks		
In Current Account	102,491.38	(152,186.54)
Other Bank Balances:		
Bank Deposits with more than 12 months maturity	2,075,615.56	1,040,506.28
	<u>2,178,106.94</u>	<u>888,319.74</u>
b) Cash-on-Hand	302,242.47	3,140,971.27
	<u>2,480,349.41</u>	<u>4,029,291.01</u>
<b>NOTE - 14</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured-Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	56,069,340.71	165,853,520.41
b) Other Advances		
Trade Advances	-	1,103.00
Security Deposit	63,000.00	
Balance with statutory/ government authorities	177,888.11	71,687.29
Minimum Alternate Tax Credit entitlement	-	355,844.00
	<u>56,310,228.82</u>	<u>166,282,154.70</u>
<b>NOTE - 15</b>		
<b>OTHER CURRENT ASSETS</b>		
Deferred Revenue Exp	243,223.78	262,447.58
	<u>243,223.78</u>	<u>262,447.58</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	For the year ended 31.03.2014 Amount (₹)	For the year ended 31.03.2013 Amount (₹)
<b>NOTE - 16</b>		
<b>OTHER INCOME</b>		
a) Interest Income:		
from others	210,000.00	556,576.00
from Banks ( FD)	135,734.97	78,256.94
b) Dividend Income	251.00	1,886.00
c) Other Non Operating Income		
Other Income ( includes share of profit of M M. International: Rs.2617.50)	328,067.60	441,264.44
	<u>674,053.57</u>	<u>1,077,983.38</u>
<b>NOTE - 17</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<u>Opening Stock</u>		
Finished goods	-	4,510,199.76
(1)	-	<u>4,510,199.76</u>
<u>Less: Closing Stock (At Cost)</u>		
Finished Goods	-	-
(2)	-	-
TOTAL = (1) - (2)	-	<u>4,510,199.76</u>
<b>NOTE - 18</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary	1,865,115.00	786,483.00
Staff Welfare	496,732.51	373,871.91
Contribution to Provident Fund & Other Funds	9,761.00	63,770.00
Call centre Expenditure	1,980.00	10,600.00
Consultancy services paid	127,219.00	234,363.00
	<u>2,500,807.51</u>	<u>1,469,087.91</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>NOTE - 19</b>		
<b>OTHER EXPENSES</b>		
Power & Fuel	969,982.00	773,846.00
Rent	311,652.00	434,778.00
<u>Repairs &amp; Maintenance</u>		
Others	44,140.00	199,590.00
Rates & taxes	132,025.00	9,773.00
Advertisement & Publicity	546,346.00	84,266.00
Business Promotion Exp.	89,850.00	187,293.56
Legal Expenses	184,500.00	362,500.00
TDS for earlier Year	4,530.00	-
Service Tax for Earlier Year	1,700.00	-
Consultancy Charges	233,780.00	117,600.00
Cost to Investment Exp	750.00	1,764.38
<u>Communication Exp</u>		
Telephone Exp.	312,391.25	174,207.73
Bank Charges & Commission	10,765.91	21,206.31
Consumables	134,457.00	119,871.50
Travelling Exp	232,717.37	298,715.08
Consultancy Support	3,616,000.00	-
Other Expenses	646,612.52	542,908.88
<u>Statutory Expenses</u>		
Postage for AGM	136,393.00	291,795.00
Printing & Stationery AGM	192,257.00	136,171.00
Share Transfer Fees	40,283.00	43,251.00
Other Statutory Expenses	288,521.13	346,653.25
<u>Auditors Remuneration</u>		
As Audit Fee	15,000.00	21,854.00
Sundry Balances written off	2,639,039.43	2,188,680.29
	<u>10,783,492.61</u>	<u>6,356,724.98</u>

20. Contingent liabilities not provided for:

Demand for custom duty on behalf of audit objection amounting to Rs. 69,62,085/- (earlier years) is not acknowledge as debts being disputed.

21. 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.

22. The company has no outstanding dues as on 31.03.2014 payable to small-scale units.

23. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. However no provisions for the resultant amount of decline are made in Profit & Loss a/c as same is not ascertainable.

24. As the Company is dealing only in software business therefore the segment reporting as per AS 17 is not required.



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

25. In the opinion of the Board of Directors, 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.

26. 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.

27. 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	2013-14 (Rs.)	2012-13 (Rs.)
Profit/Loss after tax	85980.95	125561.36
Profit/Loss attributable to Equity Shareholders	85980.95	125561.36
No. of equity shares outstanding during the year	55774000	55774000
Nominal Value of Equity Shares (Rupees)	10	10
Basic & Diluted EPS	0.002	0.002

28. Employee Benefits:

**Defined Contribution Plan**

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

Contribution to Provident Fund & Employee State Insurance:

Employer's Contribution to Provident Fund

Rs 6552.00

Employer's Contribution to Employee State Insurance

Rs 3209.00

29. CIF Value of Imports:

NIL

NIL

30. Expenditure in Foreign Currency

Communication & Wire Charges (Previous Year including Business Development exp. & Subscription fees)

NIL

NIL

31. Earning in Foreign Exchange:

Export on FOB basis

Rs. 14500040.30

Rs 13157987.50

32. Related Parties disclosures as per AS 18 which came into effect in respect of accounting period commencing on or after 01.04.2002

**i) Subsidiary and Associates**

Lensel Web Services Pvt. Ltd.

Wholly Owned Subsidiary

Rituraj Shares Broking Pvt. Ltd.

Wholly Owned Subsidiary

Haresh Collections Pvt. Ltd.

Associate

**ii) Name of the Key Management Personnel:**

Shri S.M. Gupta

Promoter Director

Shri Ajay Agarwal

Executive Director

Smt Arpita Gupta

Non Executive Director

**iii) Parties related to the Key Management Personnel where they are interested as relative/partner/director in the firm/companies etc.**

S.M. Gupta & Company

Raj Kumari Agarwal, Mahesh Gupta, Neena Gupta, S.M. Gupta (HUF), Rituraj Shares & Securities Ltd., Raj Associates, Rituraj Shares & Securities

**iv) Loans to 100 percent fully owned subsidiary**

Name of the Company

Particulars

Balance as on  
31.03.2014 (₹)

Balance as on  
31.03.2013 (₹)

Lensel Web Services Pvt. Ltd.

For the business purpose

50,241,281

727,532.48

Rituraj Shares Broking Pvt. Ltd.

For the business purpose

6,900,000

35,687,227.82





NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

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

Name of the Parties	Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
S. M Gupta & Co	Consullancy Charges	178,200	360,000
S. M. Gupta	Share purchase for investment in Rituraj Shares Broking (P) Ltd	184,894.75	-
Arpita Gupta	Compliance Fees	21,000	42,000
	Share purchase for investment in Lensei Web Services (P) Ltd	207,000	-
Rajkumari Agarwal	Rent	-	36,000
	Share purchase for investment in Lensei Web Services (P) Ltd	208,200	-
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	-	1,702,750.08
Mahesh Gupta	Rent	-	36,000
S. M. Gupta (HUF)	Rent	-	36,000
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	67,499.96	-
Raj Associates	Advance	-	500,000
Rituraj Shares & Securities Ltd.	Rent	-	36,000
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	-	450,890.88
	Share purchase for investment in Lensei Web Services (P) Ltd	96,284	-
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	-	6145188.48
Haresh Collection Pvt. Ltd.	Advances	-	595,000
Rituraj Shares & Securities	Purchase of Shares	39,12,886.09	53,47,886.09

33. 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.

34. 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.

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES

Chartered Accountants

Firm's Reg. No. 324386E

SONU JAIN

Partner, M. No. 060015

Place : Kolkata

Dated : The 29th day of August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD.

AJAY AGARWAL

Director

ARPITA GUPTA

Director



**STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES IN TERM OF THE CIRCULAR NO.2/2011 DATED FEBRUARY 8, 2011 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS**

No	Particulars	(Rs. in Lakhs)	
		Lensei Web Services Pvt. Ltd. As on 31.03.2014	Rituraj Shares Broking Pvt. Ltd As on 31.03.2014
1	Capital		
	Authorised Capital	10.00	50.00
	Issued, Subscribed and fully paid up Capital	10.00	36.20
2	Reserves	60.60	364.55
3	Total Assets	587.17	471.88
4	Total Liabilities	587.17	471.88
5	Details of Investments(except in the case of Investment in Subsidiaries)	3.00	278.66
6	Turnover (Revenue from operation)	43.09	2.27
7	Profit/(Loss) Before Taxation	2.83	0.27
8	Provision for Taxation	-	-
9	Profit/(Loss) after Taxation	2.83	0.27
10	Proposed Dividend (%)	NIL	NIL



**INDEPENDENT AUDITORS REPORT**

To,

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

1. We have audited the accompanying Consolidated Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. ("the Company") its subsidiaries and associates which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit & 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**

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation & 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**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used & the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. 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.
  - i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at 31st March, 2014,
  - ii) in the case of Consolidated Statement of Profit and Loss of the consolidated profit of the Company for the year ended on that date; and
  - iii) in the case of Consolidated Cash Flow Statement of the cash flows for the year ended on that date

**Other Matters**

We did not audit the financial statement of the associate. The consolidated financial statements include the net carrying cost of investment of Rs. 25661000.00 in respect of the associate. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statement, to the extent they have been derived from such financial statements is based solely on the report of such auditors.

Our report is not qualified in respect of these matters.

For JAIN SONU & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm's Registration Number: 324386E

Place: Kolkata  
Dated: 29th August, 2014.

SONU JAIN  
Partner  
Membership Number: 060015



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

SI No.	PARTICULARS	NOTES	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholder's Fund</b>			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	(11,504,054.61)	(25,469,320.52)
			<u>546,235,945.39</u>	<u>532,270,679.48</u>
2.	<b>Non-Current Liabilities</b>			
(a)	Other Long Term Liabilities	4	1,794,414.19	674,418.08
			<u>1,794,414.19</u>	<u>674,418.08</u>
3.	<b>Current Liabilities</b>			
(a)	Trade Payables	5	3,496,995.04	4,014,918.58
(b)	Other Current Liabilities	6	917,449.50	26,951.00
(c)	Short-term Provisions	7	143,678.77	123,438.27
			<u>4,558,123.31</u>	<u>4,165,307.85</u>
	<b>Total</b>		<u>552,588,482.89</u>	<u>537,110,405.41</u>
II.	<b>ASSETS</b>			
1.	<b>Non-Current Assets</b>			
(a)	Fixed Assets	8		
i)	Tangible Assets		2,268,575.83	759,357.31
ii)	Intangible Assets		<u>244,159,342.14</u>	<u>244,012,212.35</u>
			246,427,917.97	244,771,569.66
(b)	Non-Current Investments	9	177,941,376.12	64,422,187.41
(c)	Long Term Loans & Advances	10	22,692,405.40	55,841,912.89
(d)	Other Non-Current Assets	11	106,198.49	100,000.66
			<u>447,167,897.98</u>	<u>365,135,670.62</u>
2.	<b>Current Assets</b>			
(a)	Current Investments	12	25,661,000.00	-
(b)	Trade Receivables	13	21,235,556.85	1,400,841.50
(c)	Cash and Bank Balances	14	3,341,581.97	4,029,291.01
(d)	Short Term Loans & Advances	15	54,939,222.31	166,282,154.70
(e)	Other Current Assets	16	243,223.78	262,447.58
			<u>105,420,584.91</u>	<u>171,974,734.79</u>
	<b>Total</b>		<u>552,588,482.89</u>	<u>537,110,405.41</u>
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 38		
	In terms of our separate report of even date			

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324366E

SONU JAIN  
Partner  
Membership Number: 060015

Place: Kolkata  
Dated: 29th August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD

Ajay Agarwal  
Director

Arpita Gupta  
Director



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Sr No.	PARTICULARS	NOTES	For the year ended 31.03.2014 Amount (₹)	For the year ended 31.03.2013 Amount (₹)
I	<b>INCOME</b>			
	Revenue From Operations			
	Sale of Software Services (ITES)			
	- Exports (Current Year - USD 238865.50 & Prev. Year - USD 241719.05)		14,500,040.30	13,157,987.50
	- Domestic		7,299,282.61	1,167,933.55
	Other Income	17	1,052,795.65	1,077,983.38
	<b>Total Income</b>		<b>22,852,118.56</b>	<b>15,403,904.43</b>
II.	<b>EXPENSES</b>			
	Purchases	18	5,003,260.53	2,655,987.75
	Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	19	-	4,510,199.76
	Employee Benefits Expense	20	5,089,562.51	1,469,087.91
	Depreciation	21	402,754.35	256,784.68
	Other Expenses	22	11,943,521.89	6,356,724.98
	<b>Total Expenses</b>		<b>22,439,099.28</b>	<b>15,248,785.08</b>
III	<b>Profit before tax (I-II)</b>		413,019.28	
IV	<b>Tax expense:</b>			
	Current tax		20,240.50	29,557.99
V	<b>Profit after tax (III - IV)</b>		392,778.78	125,561.36
VI	<b>Earning per equity share- par value of Rs 10 per share</b>			
	Basic & Diluted		0.007	0.002
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 38		

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324386E

SONU JAIN  
Partner  
Membership Number: 060015  
Place: Kolkata  
Dated: 29th August, 2014

For LEE & NEE SOFTWARES (EXPORTS) LTD

Ajay Agarwal  
Director

Arpita Gupta  
Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Sl No.	PARTICULARS	For the year ended 31.03.2014		For the year ended 31.03.2013	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I.</b>	<b>CASH FLOWS</b>				
<b>1</b>	<b>From Operating Activities</b>				
	(a) Net Profit before tax from Operating Activities		413,019		155,119
	Adjustments:				
	Depreciation and amortisation	402,754		256,785	
	Profit on sale of Investment	147,962		(23,546)	
	Interest & Dividend	(403,565)		(636,719)	
	Profit on Investment (in partnership Firm)	(2,618)		3,120	
	Sundry Balance written off	2,544,968		2,188,680	
	Assets written off	-		243,096,633	
	Operating Profit/ Loss before working capital changes		2,689,502 3,102,521		244,884,953 245,040,072
	(b) Working Capital changes:				
	Accretion/ Depletion of Stock	-		4,510,200	
	Decrease/ (Increase) in Trade receivables	(19,609,641)		(749,658)	
	Decrease/ (Increase) in Current investments	(25,661,000)			
	Decrease/ (Increase) in short-term loans & advances	61,297,954		(149,027,405)	
	Decrease/ (Increase) in other current assets	19,224		131,224	
	Increase/ (Decrease) in Trade Payables	(5,987,726)		1,767,541	
	Increase/ (Decrease) in other current liabilities	50,426,054		(42,512)	
	Increase/ (Decrease) in provisions	20,240	60,505,105	29,558	(143,381,052)
	Cash generated from Operating Activities		63,607,626		101,659,020
	Income Taxes Paid		(20,240)		(29,558)
	<b>Net Cash from Operating Activities Total of (1)</b>		<b>63,587,385</b>		<b>101,629,462</b>
<b>2</b>	<b>From Investing Activities</b>				
	Purchase of Fixed Assets	(399,263)		(211,787)	
	Purchase/Sale of Investment	(107,460,438)		(4,499,243)	
	Profit on sale of Investment	(147,962)		23,546	
	Decrease in other long term loans & advances	43,473,228		8,528,067	
	Increase/ (Decrease) in Other Long Term liabilities	(32,015,832)		(99,993,673)	
	Decrease in other non-current assets	4,448,856		1,698,818	
	Dividend received	251		1,886	
	Interest received	403,314		634,833	
	Other income	(2,544,968)		(2,188,680)	
	Investment in Partnership Firm	24,593,259		(2,321,880)	
	Profit on Investment (in partnership firm)	2,618		(3,120)	
	<b>Net Cash from Investing Activities Total of (2)</b>		<b>(69,646,937)</b>		<b>(98,331,233)</b>
<b>3</b>	<b>From Financing Activities</b>				
	<b>Total of (3)</b>				
<b>II.</b>	<b>Net (decrease)/increase in Cash and Bank Balances (I-II)</b>				
	<b>Total Cash flows (1+2+3)</b>		(6,059,552)		3,298,229
	Add: Cash and Bank Balances at the beginning of the period		4,029,291		731,062
	Add: upon addition of subsidiaries		5,371,843		-
<b>III.</b>	<b>Cash and Bank Balances at the end of the period</b>		<b>3,341,582</b>		<b>4,029,291</b>

For LEE & NEE SOFTWARES (EXPORTS) LTD.  
AJAY AGARWAL      ARPITA GUPTA  
Director                      Director



**Lee & Nee**  
Softwares (Exports) Ltd.

**AUDITOR'S REPORT**

We have certified the Consolidated Cash Flow Statement of M/s. LEE & NEE SOFTWARES (EXPORTS) LIMITED, KOLKATA derived from the audited financial statements and the Books & Records maintained by the Company for the year ended 31st March 2014 and found the same in agreement therewith.

For JAIN SONU & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 324386E

**SONU JAIN**  
Partner  
Membership Number: 060015

Place: Kolkata  
Dated: 29th August, 2014





**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014**

**NOTE-1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 PRINCIPLES ON CONSOLIDATION**

- A) The consolidated financial statement which relate to Lee & Nee Softwares (Exports) Ltd. ("the Company") its subsidiaries and Associates (collectively referred to "the Group"). The Subsidiary and Associate Companies has been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements(AS 21) and Accounting for Investment in Associates in Consolidated Financial statements (AS 23) respectively notified in Companies (Accounting Standards) Rules 2006. The Consolidated Financial Statements have been prepared on the following basis:-
- i) The Consolidated financial Statements 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 and resulting unrealized profits or losses.
  - ii) Investment in Associate Company have been accounted as per Accounting Standard (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006
  - iii) The difference of the cost to the Company of its investment in Subsidiaries as at the date of its acquisition of stake is recognized in the financial statement as Goodwill or Capital reserve, as the case may be. Any such difference arising subsequently is adjusted against Statement of Profit & Loss.
  - iv) The difference between the cost of investment in the Associate and the Company's share of net assets at the time of acquisition of share in the Associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
  - v) 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.
  - vi) 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 and Associates considered in the financial statements are as follows:

<b>Name of the Subsidiary Companies</b>	<b>Country of Incorporation</b>	<b>Financial year ended</b>	<b>Holding Company's Interest</b>
Rituraj Shares Broking Pvt. Ltd	India	31.03.2014	100.00%
Lensel web Services Pvt. Ltd	India	31.03.2014	100.00%
<b>Name of the Associate Companies</b>	<b>Country of Incorporation</b>	<b>Financial year ended</b>	<b>Extent of Holding</b>
Haresh Collections Pvt. Ltd. (an Associate of Rituraj Shares Broking Pvt. Ltd)	India	31.03.2014	33.50%

**1.2 SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statement have been prepared under historical cost convention and as going concern concept and in accordance with the Generally Accepted Accounting Principles in India, the applicable mandatory accounting standards notified by the Companies(Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**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, Trade Licence which is recorded on cash basis.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014**

**b) 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.

**c) 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.

**d) 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.

**e) Depreciation :**

Depreciation on all Fixed Assets has been provided on written down value method at the rates specified in schedule XIV to the Companies Act, 1956 on prorata basis.

**f) Valuation of Inventories :**

Softwares Packages/products are valued at cost.

**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.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
60,000,000 (previous year : 60,000,000) Equity Shares of Rs. 10 each	600,000,000.00	600,000,000.00
<b>Issued, Subscribed and Paid-up</b>		
55,774,000 (previous year : 55,774,000) Equity Shares of Rs. 10 each	557,740,000.00	557,740,000.00
<b>i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>		
<b>Particulars</b>		
<b>Equity Shares :</b>		
<b>(a) Number of shares:</b>		
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>(b) Share Capital:</b>		
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
<b>ii) Terms / Rights attached to Equity Shares:</b>		
a) 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.		
b) 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.		
<b>iii) Details of the shareholders holding more than 5% shares in the Company:</b>		
<b>Name of the Shareholder</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March 2013</b>
	<b>No. of shares held</b>	<b>No. of shares held</b>
	<b>% of holding</b>	<b>% of holding</b>
Sunita Gupta	8573533	8573533
Neena Gupta	4801772	4446678
Rajkumari Agarwal	4650880	4233213
Rituraj Shares Broking Pvt. Ltd.	0	14280069
Rituraj Shares & Securities Ltd.	7902853	3886153
Haresh Collections Pvt Ltd.	9715281	0.00
	17.419	
<b>iv) The Company, out of the 55774000 equity shares of Rs 10 each, during the financial year 1990-91, 800000 equity shares had called up for Rs. 0.50 paise each aggregating to Rs 400000 only allotted for consideration other than cash.</b>		
Pursuant to order of the Honorable Calcutta High Court, during the financial year 1999-2000, 5000000 equity shares of Rs. 10 each on merger of Lensel Finance Ltd.		
16704000 equity shares of Rs 10 each fully paid upto three amalgamating companies during the financial year 2000-01		
29080000 equity shares of Rs 10 each fully paid upto five amalgamating companies during the financial year 2007-08		


**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014**

<b>PARTICULARS</b>	<b>AS AT 31.03.2014 Amount (₹)</b>	<b>AS AT 31.03.2013 Amount (₹)</b>
<b>NOTE - 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>a. Capital Reserves</b>		
Opening Balance	10,000.00	10,000.00
Add: Capital reserve on Consolidation	13,572,487.13	-
Closing Balance	13,582,487.13	10,000.00
<b>b. Surplus</b>		
Opening Balance	(25,479,320.52)	(25,604,881.88)
Add: Net Profit / (Loss) for the current year	392778.78	125561.36
Closing Balance	(25,086,541.74)	(25,479,320.52)
Total	(11,504,054.61)	(25,469,320.52)
<b>NOTE - 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
<b>Others</b>		
a) Trade Advances	342,048.00	0.00
b) Others	1,452,366.19	674418.08
	1794414.19	674418.08
<b>NOTE - 5</b>		
<b>TRADE PAYABLES</b>		
i) Salary Payable	613,945.00	223248.00
ii) Service Provider Charges Payable	33,305.00	45207.00
iii) Expenses Payable	2,276,263.35	2992254.17
iv) Other Payables	573,481.69	754209.41
	3496995.04	4014918.58
<b>NOTE - 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) Trade Advances	901,267.50	18,276.00
ii) Statutory Payables	16,182.00	8,675.00
	917,449.50	26,951.00
<b>NOTE - 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for taxation	143,678.77	123,438.27
	143,678.77	123,438.27

# LEE & NEE SOFTWARES (EXPORTS) LTD.

## NOTE B - FIXED ASSETS

### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2013	Addition During the year	Sales/Adj during the year	As at 31.03.2014	As at 01.04.2013	During the Year	As at 31.03.2014	As at 31.03.2013
<b>(i) TANGIBLE ASSETS</b>								
Leasehold Premises	6,187,500.00	-	-	6,187,500.00	6,187,500.00	-	-	-
Office Premises	1,785,572.00	-	-	1,785,572.00	721,462.71	53,205.46	1,064,109.29	1,064,109.29
Building	505,801.18	-	-	505,801.18	174,379.43	16,571.09	331,421.75	331,421.75
Plant and Equipment	2,654,350.83	164,483.00	-	2,818,833.83	2,355,684.87	181,848.08	301,320.88	298,685.96
Computers	1,058,942.71	8,000.00	-	1,066,942.71	760,517.64	41,745.79	284,679.28	298,425.07
Others	83,939.15	-	-	83,939.15	68,287.58	2,455.33	15,186.24	17,651.57
Card Access Control	15,580.50	-	-	15,580.50	10,741.11	673.16	4,166.23	4,839.39
Access Control System	442,829.77	-	-	442,829.77	323,309.13	16,625.24	339,934.37	119,520.64
Air Condition	15,856.00	-	-	15,856.00	14,900.95	132.85	822.20	955.75
Printer	36,681.39	16,950.00	-	53,631.39	15,635.95	4,876.06	33,119.38	21,045.44
UPS								
Networking Equipment	32,135.88	-	-	32,135.88	32,135.88	-	-	-
Networking Equipment	67,080.00	-	-	67,080.00	28,101.50	5,421.91	33,556.59	38,976.50
Head Set	238,680.00	-	-	238,680.00	132,828.73	14,723.91	91,127.36	105,851.27
Other Equipment	11,200.00	-	-	11,200.00	6,559.67	645.47	3,994.86	4,840.33
Telephone	125,702.50	-	-	125,702.50	122,673.17	1,211.73	1,817.60	3,029.33
Plant & Machinery (Comp)								
Furniture & Fittings	663,832.46	-	-	663,832.46	553,789.32	19,917.82	90,125.32	110,043.14
Furniture & Fixtures	13,925,684.37	189,433.00	-	14,115,117.37	11,506,487.64	340,053.91	2,268,575.82	2,419,197.43
<b>Total of Current Year</b>	<b>253,139,469.40</b>	<b>211,786.92</b>	<b>243,096,632.52</b>	<b>253,139,469.40</b>	<b>9,290,156.21</b>	<b>205,110.30</b>	<b>759,357.31</b>	<b>243,849,313.21</b>
<b>(ii) INTANGIBLE ASSETS</b>								
Goodwill	243,934,700.78	-	-	243,934,700.78	-	-	243,934,700.78	243,934,700.78
Computer Software	876,782.00	209,830.24	-	1,086,612.24	801,270.43	62,700.45	224,641.36	77,511.57
<b>Total of Current Year</b>	<b>244,811,482.78</b>	<b>209,830.24</b>	<b>245,021,313.02</b>	<b>244,811,482.78</b>	<b>801,270.43</b>	<b>62,700.45</b>	<b>244,159,342.14</b>	<b>244,012,212.35</b>
<b>Total of Previous Year</b>	<b>244,811,482.78</b>	<b>399,263.24</b>	<b>259,138,430.39</b>	<b>244,811,482.78</b>	<b>749,596.05</b>	<b>51,674.38</b>	<b>244,012,212.35</b>	<b>244,063,866.73</b>
<b>TOTAL (₹)</b>	<b>258,739,167.15</b>	<b>211,786.92</b>	<b>243,096,632.52</b>	<b>258,739,167.15</b>	<b>10,039,752.26</b>	<b>256,784.68</b>	<b>244,771,569.66</b>	<b>246,431,409.78</b>
<b>TOTAL OF PREVIOUS YEAR</b>	<b>497,952,952.18</b>	<b>211,786.92</b>	<b>243,096,632.52</b>	<b>497,952,952.18</b>	<b>10,039,752.26</b>	<b>256,784.68</b>	<b>244,771,569.66</b>	<b>487,913,199.94</b>

In terms of our separate report of even date

For JAIN SONU & ASSOCIATES

Chartered Accountants

Firm's Reg. No. 524386E

SONU JAIN

Partner, M. No. 060015

For LEE & NEE SOFTWARES (EXPORTS) LTD.

AJAY AGARWAL

Director

ARPITA GUPTA

Director

Place : Kolkata

Dated : The 29th day of August, 2014



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2014**  
**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)**

<b>PREVIOUS YEAR</b>		<b>NAME OF THE COMPANY</b>	<b>CURRENT YEAR</b>	
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
85700	1,071,250.00	Crazy Infolech Ltd ( Trade)	-	-
200	1,200.00	Century Extrusions Ltd	200	1,200.00
65	940.53	ICICI Ltd	65	940.53
25	2250.00	Finolex Pipe Ltd.	-	-
100	100.00	NTC Industries Ltd. (R.D.B. Industries Ltd.)	100	100.00
-	-	Mahindra Gresco Ltd. (Mahindra Lifespace Developers Ltd.)	2	1,643.21
<u>86290</u>	<u>1,077,970.53</u>		<u>567</u>	<u>6,113.74</u>

**2. UNQUOTED : OTHER THAN TRADE : AT COST**

**INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)**

268800	1,522,400.00	Aashiana Agro India Ltd	-	-
106	2,120.00	Enkay Texofood Ltd	106	2,120.00
300	61,200.00	Krone Communication Ltd ( Trade)	300	61,200.00
50	1,500.00	PCS Data Products Ltd ( Trade)	50	1,500.00
100	515.00	Neena Consultants Ltd	100	515.00
-	-	Shreepati Infra Reality Limited	8175	149,602,500.00
100	8,200.00	Philips India Ltd.	100	8,200.00
-	-	Rituraj Shares & Securities Ltd.	26905	2,503,000.00

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

4890	3,102,216.00	Lensel Web Services (P) Ltd. ( Equity Shares of Rs. 100 each)	-	-
7491	8,298,829.44	Rituraj Share Broking Pvt. Ltd. ( Equity Shares of Rs 100 each)	-	-
<u>281837</u>	<u>12,996,980.44</u>		<u>35736</u>	<u>152,179,035.00</u>
368127	14,074,950.97	<b>Total</b>	36303	152,185,148.74

Total Cost of Quoted Investments	Rs. 8363.74	(Previous Year Rs. 1077970.53)
Total Cost of Unquoted Investments	Rs. 152179035.00	(Previous Year Rs. 12996980.44)
Market Value of Quoted Investments	Rs. 89327.55	(Previous Year Rs. 111351.75)

**INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS**

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

No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
50,347,236.44	Investment in Partnership Firm M.M. International (Other Partner: Mahesh Gupta) (Share of Profit - 50%) Rs. 746,672.74 Total Capital: Rs. (5209388.42)	25,753,977.38	25,753,977.38
<u>50347236.44</u>		<u>25,753,977.38</u>	
<u>64,422,187.41</u>	<b>GRAND TOTAL</b>	<u>177,941,376.12</u>	

In terms of our separate report of even date

For **JAIN SONU & ASSOCIATES**

Chartered Accountants

Firm's Reg. No. 324386E

**SONU JAIN**

Partner, M. No. 060015

Place : Kolkata

Dated : The 29th day of August, 2014

For **LEE & NEE SOFTWARES (EXPORTS) LTD.**

**AJAY AGARWAL**  
Director

**ARPITA GUPTA**  
Director



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>NOTE - 10</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured-Considered Good :</b>		
i) Loans ( Interest accrued thereon)	2,363,710.00	3,475,684.00
ii) Advances recoverable in cash or in kind or value to be received	19,199,935.09	51,897,807.91
iii) Security Deposits	261,785.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	371,239.46	206,635.73
b) Other Advances	139,891.60	-
c) Minimum Alternate Tax Credit entitlement	355,844.00	-
	<u>22,692,405.40</u>	<u>55,841,912.89</u>
<b>NOTE - 11</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Trade Receivables (Unsecured, considered Good)	<u>106,198.49</u>	<u>100,000.66</u>
<b>NOTE - 12</b>		
<b>CURRENT INVESTMENTS ( AT COST OR MARKET VALUE WHICHEVER IS LOWER)</b>		
<b>1. UNQUOTED : OTHER THAN TRADE INVESTMENTS</b>		
<b>INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)</b>		
Previous Year	Name of the Company	Current Year No. of Shares    Amount (₹)
	Haresh Collections Pvt. Ltd.	33,500    25661000.00
	(Including Goodwill of Rs. 13213792)	
	<b>Total</b>	<b>33,500    25661000.00</b>
Total Cost of Unquoted investments Rs. 25661000.00 (Previous Year Rs. NIL)		
<b>NOTE - 13</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured-Considered Good)</b>		
1. Outstanding for a period exceeding six months from the due date of payment	21,059,390.00	3,090.00
2. Other Debts	176,166.85	1,397,751.50
	<u>21,235,556.85</u>	<u>1,400,841.50</u>
<b>NOTE - 14</b>		
<b>CASH &amp; BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
a) Balance with Banks		
In Current Account	109,190.52	(152,186.54)
Other Bank Balances:		
Bank Deposits with more than 12 months maturity	2,075,615.56	1,040,506.28
	<u>2,184,806.08</u>	<u>888,319.74</u>
b) Cash-on-Hand	1,156,775.89	3,140,971.27
	<u>3,341,581.97</u>	<u>4,029,291.01</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	For the year ended 31.03.2014 Amount (₹)	For the year ended 31.03.2013 Amount (₹)
<b>NOTE - 15</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured-Considered Good)		
a) Loans ( Interest accrued thereon)	8,500,302.00	-
b) Advances recoverable in cash or in kind or for value to be received	46,099,724.71	165,853,520.41
c) Other Advances		
Trade Advances	21,847.00	1,103.00
Security Deposit	63,000.00	-
Balance with statutory/ government authorities	254,348.60	71,687.29
Minimum Alternate Tax Credit entitlement	-	355,844.00
	<u>54,939,222.31</u>	<u>166,282,154.70</u>
<b>NOTE - 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Deferred Revenue Exp	243,223.78	262,447.58
	<u>243,223.78</u>	<u>262,447.58</u>
<b>NOTE - 17</b>		
<b>OTHER INCOME</b>		
a) Interest Income:		
from others	267,579.00	556,576.00
from Banks ( FD)	135,734.97	78,256.94
b) Dividend Income	251.00	1,886.00
c) Business Centre Income	278,000.00	-
d) Premium (F & O)	(50,273.05)	-
e) Profit /Loss on trading in securities	(1,121.34)	-
f) Other Non Operating Income		
Other Income ( includes share of profit of M.M. International: Rs. 2617.50)	422,625.07	441,264.44
	<u>1,052,795.65</u>	<u>1,077,983.38</u>
<b>NOTE - 18</b>		
<b>PURCHASE</b>		
Purchase (Software Service)	4,636,905.80	2,655,987.75
Domain Registration Charges	262,442.14	-
Hosting Charges Paid	103,912.59	-
	<u>5,003,260.53</u>	<u>2,655,987.75</u>
<b>NOTE - 19</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
Opening Stock	-	4,510,199.76
Finished goods	-	4,510,199.76
	(1)	
<u>Less: Closing Stock (At Cost)</u>		
Finished Goods	-	-
	(2)	
<b>TOTAL = (1) - (2)</b>		<u>4,510,199.76</u>





NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

PARTICULARS	AS AT 31.03.2014 Amount (₹)	AS AT 31.03.2013 Amount (₹)
<b>NOTE - 20</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary	4,453,870.00	786,483.00
Staff Welfare	496,732.51	373,871.91
Contribution to Provident Fund & Other Funds	9,761.00	63,770.00
Call centre Expenditure	1,980.00	10,600.00
Consultancy services paid	127,219.00	234,363.00
	<u>5,089,562.51</u>	<u>1,469,087.91</u>
<b>NOTE - 21</b>		
<b>DEPRECIATION EXPENSE</b>		
Depreciation	<u>402,754.35</u>	<u>256,784.68</u>
<b>NOTE - 22</b>		
<b>OTHER EXPENSES</b>		
Power & Fuel	1,023,524.82	773,846.00
Rent	320,652.00	434,778.00
<u>Repairs &amp; Maintenance</u>		
Others	46,640.00	199,590.00
Rates & taxes	146,963.00	9,773.00
Advertisement & Publicity	546,346.00	84,266.00
Business Promotion Exp.	94,550.00	187,293.56
Legal Expenses	184,500.00	362,500.00
TDS for earlier Year	4,530.00	-
Service Tax for Earlier Year	1,700.00	-
Consultancy Charges	253,780.00	117,600.00
Cost to Investment Exp	10,784.45	1,764.38
<u>Communication Exp</u>		
Telephone Exp.	335,682.60	174,207.73
Bank Charges & Commission	14,198.65	21,206.31
Maintenance Charges	28,290.00	-
Consumables	134,457.00	119,871.50
Travelling Exp	338,094.34	298,715.08
Consultancy Support	4,063,150.00	-
Bandwidth Charges	180,000.00	-
General Expenses	12,253.99	-
Conveyance	73,260.82	-
Long Term Capital Loss	96,567.83	-
Other Expenses	709,066.44	542,908.88
Printing & Stationery	1,460.00	-
<u>Statutory Expenses</u>		
Postage for AGM	136,393.00	291,795.00
Printing & Stationery AGM	192,257.00	136,171.00
Share Transfer Fees	40,283.00	43,251.00
Other Statutory Expenses	293,726.52	346,653.25
<u>Auditors Remuneration</u>		
As Audit Fee	21,371.00	21,854.00
Sundry Balances written off	2,639,039.43	2,188,680.29
	<u>11,943,521.89</u>	<u>6,356,724.98</u>



**NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014**

23. Contingent liabilities not provided for:  
Demand for custom duty on behalf of audit objection amounting to Rs. 69,62,085/-(earlier years) is not acknowledge as debts being disputed.  
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.
24. 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.
25. The Group has no outstanding dues as on 31.03.2014 payable to small-scale units.
26. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. However no provisions for the resultant amount of decline are made in Profit & Loss a/c as same is not ascertainable.
27. Based on the guiding principles given in the Accounting Standard-17 on "Segment Reporting", issued by the Institute of Chartered Accountants of India, the Company's primary business segment is software business. Hence, the disclosure requirements of AS-17 in this regard is not applicable.
28. In the opinion of the Board of Directors, 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.
29. 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.
30. 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                                     | 2013-14<br>(Rs.) | 2012-13<br>(Rs.) |
|---|------------------|------------------|
| Profit/Loss after tax                           | 392778.78        | 125561.36        |
| Profit/Loss attributable to Equity Shareholders | 392778.78        | 125561.36        |
| No of equity shares outstanding during the year | 55774000         | 55774000         |
| Nominal Value of Equity Shares (Rupees)         | 10               | 10               |
| Basic & Diluted EPS                             | 0.007            | 0.002            |
31. Employee Benefits:  
**Defined Contribution Plan**  
Contribution to the above plan is recognised for the year as under:  
Contribution to Provident Fund & Employee State Insurance:  
Employer's Contribution to Provident Fund  
Employer's Contribution to Employee State Insurance
- |  | Rs.6552.00      | Rs.3209.00      |
|--|-----------------|-----------------|
| 32. CIF Value of Imports:  | NIL             | NIL             |
| 33. Expenditure in Foreign Currency<br>Communication & Wire Charges (Previous<br>Year including Business Development exp<br>& Subscription fees) | NIL             | NIL             |
| 34. Earning in Foreign Exchange:<br>Export on FOB basis  | Rs. 14500040.30 | Rs. 13157987.50 |



**NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014**

35. Related Parties disclosures as per AS 18 which came into effect in respect of accounting period commencing on or after 01.04.2002

i) **Associate**

Haresh Collections Pvt. Ltd.

An Associate of Rituraj Shares Broking Pvt. Ltd.

ii) **Name of the Key Management Personnel:**

Shri S.M. Gupta

Promoter Director

Shri Ajay Agarwal

Executive Director

Smt Arpita Gupta

Non Executive Director

iii) **Parties related to the Key Management Personnel where they are interested as relative/partner/director in the firm/companies etc.**

S.M. Gupta & Company, Raj Kumari Agarwal, Mahesh Gupta, Neena Gupta, S.M. Gupta (HUF), Rituraj Shares & Securities Ltd., Raj Associates, Rituraj Shares & Securities

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

Disclosure of Related party from Holding "Lee & Nee Softwares (Exports) Ltd."

Name of the Parties	Particulars	Current Year Amount (₹)	Previous Year Amount (₹)
S. M Gupta & Co	Consultancy Charges	178,200	360,000
S.M. Gupta	Share purchase for investment in Rituraj Share Broking (P) Ltd	184,894.75	-
Arpita Gupta	Compliance Fees	21,000	42,000
	Share purchase for investment in Lensei Web Services (P) Ltd.	207,000	-
Rajkumari Agarwal	Rent	-	36,000
	Share purchase for investment in Lensei Web Services (P) Ltd.	208,200	-
	Share purchase for investment in Rituraj Share Broking (P) Ltd	-	1,702,750.08
Mahesh Gupta	Rent	-	36,000
S. M. Gupta (HUF)	Rent	-	36,000
	Share purchase for investment in Rituraj Share Broking (P) Ltd	67,499.96	-
Raj Associates	Advance	-	500,000
Rituraj Shares & Securities Ltd.	Rent	-	36,000
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	-	450,890.88
	Share purchase for investment in Lensei Web Services (P) Ltd.	96,284	-
	Share purchase for investment in Rituraj Shares Broking (P) Ltd	-	6145188.48
Haresh Collections Pvt. Ltd.	Advances	-	595,000
Rituraj Shares & Securities	Purchase of Shares	39,12,886.09	53,47,886.09



**NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014**

Disclosure of Related party from Subsidiary "Lensei web Services Pvt. Ltd."

Name of the Parties	Particulars	As on 31.03.14	As on 31.03.13
Rituraj Shares & Securities Ltd.	Advance for purchase of shares	5821000	NIL
	Rent	9000	18000
Rituraj Shares & Securities	Other Receivables	4091477.75	NIL

Disclosure of Related party from Subsidiary "Rituraj Shares Broking Pvt. Ltd."

Name of the Parties	Particulars	As on 31.03.14	As on 31.03.13
Rituraj Shares & Securities	Advance for purchase of shares	2250466	13267943.75

36. The SAP Partnership fees 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.
37. Associate company "Haresh Collections Pvt Ltd." of Subsidiary "Rituraj Shares Broking Pvt Ltd." became an associate on 31.3.2014.
38. Comparative Figures

Figures of the previous year are not comparable, as this is the first year of consolidation being holding-subsiidiary relationship came into effect this year only.

Figures of the previous year are standalone figures of the holding company and have been regrouped/ reclassified wherever necessary.

In terms of our separate report of even date

For **JAIN SONU & ASSOCIATES**

Chartered Accountants

Firm's Reg. No. 324386E

**SONU JAIN**

Partner, M. No. 060015

Place : Kolkata

Dated : The 29th day of August, 2014

For **LEE & NEE SOFTWARES (EXPORTS) LTD.**

**AJAY AGARWAL**  
Director

**ARPITA GUPTA**  
Director

**LEE & NEE SOFTWARES (EXPORTS) LIMITED****CIN: L70102WB1988PLC045587**

Registered Office : 14B, Camac Street, Kolkata - 700 017

Tel. : 033-40650370/76, Fax : 033-4065 0378

E-mail : info@lnsel.com Website : www.lnsel.com

**ATTENDANCE SLIP**

Name :

Address :

Serial No.:

Share Holding :

Name(s) of joint Holder(s), if any :

Folio/DP ID &amp; Client ID No. :

I certify that I am registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company to be held at Shishir Mitra Hall, Webel Bhavan, 3<sup>rd</sup> Floor, Block – EP & GP, Sector-V, Salt lake, Kolkata – 700 091 at 11:00 a. m. on the 27<sup>th</sup> September, 2014

Name of Member/Proxy (in Block Letters)

Signature of Shareholder/Proxy Present

Note :

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Shareholders who come to attend the meeting are requested to bring the copy of the Annual Report with them.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-voting Sequence Number)	USER ID	PASSWORD

Please refer Notice for Instructions on e-voting. This facility will be open during the following period :

Commencement of E-Voting	End of E-Voting
Monday, September 22, 2014 at 9:30 a. m.	Tuesday, September 23, 2014 at 5:30 p. m.

**LEE & NEE SOFTWARES (EXPORTS) LIMITED****CIN: L70102WB1988PLC045587**

Registered Office : 14B, Camac Street, Kolkata - 700 017

Tel. : 033-40650370/76, Fax : 033-4065 0378

E-mail : info@lnsel.com Website : www.lnsel.com

**Proxy Form**

I/We, being the member(s), holding ..... shares of Lee &amp; Nee Softwares (Exports) Limited hereby appoint :

- |                |               |                |                    |
|----------------|---------------|----------------|--------------------|
| (1) Name ..... | Address ..... | Signature..... | or failing him/her |
| E-mail Id..... |               |                |                    |
| (2) Name ..... | Address ..... | Signature..... | or failing him/her |
| E-mail Id..... |               |                |                    |
| (3) Name ..... | Address ..... | Signature..... | or failing him/her |
| E-mail Id..... |               |                |                    |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on the 27<sup>th</sup> day of September, 2014 at 11:00 a. m. at Shishir Mitra Hall, 3<sup>rd</sup> Floor, Webel Bhavan Block – EP & GP, Sector – V, Kolkata – 700 091 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	To receive consider and adopt the Balance Sheet as at 31 <sup>st</sup> March 2014, and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.			
2.	To appoint Director in place of Mrs. Arpita Gupta who retires by rotation and being eligible, offers herself for reappointment.			
3.	To appoint Auditors and fix their remuneration.			
<b>Special Business</b>				
4.	Appointment of Mr. Vikash Kamani as an Independent Director.			
5.	Appointment of Mr. Sushil Kumar Gupta as an Independent Director.			
6.	Appointment of Leela Murjani as an Independent Director.			

Signed this ..... day of ..... 2014

Member's Folio /DP ID &amp; Client ID No. .... Signature of Shareholder (s) .....

Signature of Proxy holder(s) .....

Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26<sup>th</sup> Annual General Meeting.

\*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolution' your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix  
Revenue  
Stamp

BOOK-POST

*If undelivered, please return to :*



**Lee & Nee**  
Softwares (Exports) Ltd.

Office : 14B, Camac Street  
Kolkata - 700 017