Lee & Nee
Softwares (Exports) Ltd.

CLOUD SOLUTIONS

SAP Partner

amazon web services

netmagic
An NTT Communications Company

ARTIFICIAL INTELLIGENCE

ERP SOLUTION

FOR COMPLETE ERP NEEDS

THIRTIETH
30th

ANNUAL REPORT & ACCOUNTS 2017-2018

BOARD OF DIRECTORS	:	AJAY KUMAR AGARWAL	— Executive Director
		SAGAR MAL GUPTA	— Promoter Director
		ARPITA GUPTA	— Non-Executive Director
		VIKASH KAMANI	— Independent Director
		SUSHIL KUMAR GUPTA	— Independent Director
		LEELA MURJANI	— Independent Director
KEY MANAGERIAL PERSONNEL	:	MAHESH GUPTA	— Chief Executive Officer
		DIPAK PATRA	— Chief Financial Officer (till 10.07.2017)
		BISWARUP MAITY	— Chief Financial Officer (w.e.f. 21.07.2017)
		PRITIKA GUPTA	— Company Secretary
AUDITORS	:	JAIN SONU & ASSOCIATES CHARTERED ACCOUNTANTS	
BANKERS	:	ICICI BANK LTD. INDUSIND BANK LTD. ORIENTAL BANK OF COMMERCE	
REGISTERED OFFICE	:	14B, CAMAC STRET, KOLKATA - 700 017 TEL : 033-40650377/0374, FAX : 033-40650378 EMAIL : investors@lnsel.com, WEBSITE : www.lnsel.com	
SOFTWARE DEVELOPMENT CENTRE	:	SOFTWARE TECHNOLOGY PARK SALTLAKE ELECTRONICS COMPLEX BLOCK 'GP', SECTOR - V SDF BUILDING, 4TH FLOOR BIDHANNAGAR, KOLKATA - 700 091	
REGISTRAR & SHARE TRANSFER AGENTS	:	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. MUKHERJEE ROAD, 5TH FLOOR KOLKATA - 700 001, TEL : (033) 22435029, FAX : (033) 22484787 EMAIL : mdpldc@yahoo.com	
CORPORATE IDENTITY NUMBER (CIN)	:	L70102WB1988PLC045587	

NOTICE

NOTICE is hereby given that the ThirtiethAnnual General Meeting of Lee & Nee Softwares (Exports) Limited (CIN: L70102WB1988PLC045587) will be held at Shishir Mitra Hall, 3rd Floor, Webel Bhavan, Block EP & GP, Sector-V, Saltlake, Kolkata -700091 on Saturday the 29thSeptember, 2018 at 11 A.M. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a) the Audited Financial Statements of the Company for the financial year ended March 31,2018, together with the Reports of the Board of Directors and Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Kumar Agarwal (DIN 01265141), who retires by rotation and, being eligible, offers himself for re-appointment.

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

Registered Office:
14B Camac Street, Kolkata-700017
Date: The 26th July, 2018.

Pritika Gupta
ACS-27366
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and, vote instead of self and the proxy need not be a Member of the Company.** The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The Proxy form is attached herewith. Proxy submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate resolution or authority as applicable.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
2. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) in respect of the director seeking re-appointment at the Annual General Meeting scheduled to be held on September 29,2018 forms part of the notice. The director has furnished consent/ declaration for his reappointment as required under the Companies Act, 2013 and the Rules thereunder.
3. Members/Proxies are requested to bring the Attendance Slip duly filled in and handover the same at the entrance to the venue of the meeting.
4. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No.21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience in future. 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. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
6. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
7. Members are requested to notify any change in their addresses and their e-mail ids immediately mentioning their name and folio no., to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 23, R.N.Mukherjee Road, 5th Floor, Kolkata-700001.
8. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
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 Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

11. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22.09.2018 to Saturday, 29.09.2018 (both days inclusive)
12. The Securities And Exchange Board of India(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 , and Members holding shares in electronic forms are requested to submit their PAN details to their respective Depository Participants.
13. 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.
14. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on its behalf at the Meeting.
15. To support the "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. Address :- 23, R N Mukherjee Road, 5th Floor, Kolkata – 700 001. Email Id: mdpldc@yahoo.com.
16. The Notice of the AGM, the Annual Report 2017-18 along with the Attendance slip and Proxy form, are being sent by electronic mode to those Members whose email address are registered with the Company/Depositories, unless any Member has requested for physical copy of the same . For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Annual Report will also be available on the Company's website viz., www.lnsel.com.
17. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statement along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.
18. All documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
19. **Information and other instructions relating to e-voting are as under :**
    I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules ,2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Necessary arrangements have been made by the Company with NSDL to facilitate remote e-voting.
    II. The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

       The Company has appointed Smt. Rasna Goyal, Practicing Company Secretary (C.P No 9209) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting in a fair and transparent manner.
    III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 22, 2018.
    IV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 22, 2018 only shall be entitled to avail the facility of remote e-voting / voting through ballot or polling paper at the Meeting.
    V. Any person who become member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 22, 2018, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@nsdl.co.in.

VI. The e- voting period begins on 26th September, 2018 at 9.00 AM and ends on 28th September, 2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses who are not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the CFO & Company Secretary of the Company for Counter Signature and who declare the result of the voting forthwith.

VIII. The Scrutinizer shall submit his report to the Chairman who shall declare the result of the voting. The results declared along with the scrutinizers report shall be placed on the website of the Company www.lnsel.com and on the website of NSDL www.evoting.NSDLindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 29, 2018.

X. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
   https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL / CDSL) or Physical	**Your User ID is**
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company. For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) **How to retrieve your 'initial password'?**

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **109590.**
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

I. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to evoting@lnsel.com with a copy marked to evoting@nsdl.co.in.

II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

IV. The voting rights of members shall be in proportion to their shares of their shares of the paid up equity share capital of the Company as on the cut off date of September 22, 2018.

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

Registered Office:
14B Camac Street, Kolkata-700017
Date: The 26th July, 2018.

Pritika Gupta
ACS-27366
Company Secretary

ADDITIONAL INFORMATION OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 IS GIVEN BELOW:

Name of the Director	Mr. Ajay Kumar Agarwal
DIN	01265141
Date of Birth	14.12.1966
Appointed On	29.04.2004
Terms and Conditions of Appointment	As per Letter of Appointment
Qualification	B.COM
Expertise	He is an honours graduate from Calcutta University, has vast experience in business since his adulthood, and he is actively engaged in the business management.
The Remuneration last drawn by Mr. Ajay Kumar Agarwal, if applicable	No Remuneration was paid / is proposed to be paid to him in the past / future for attending Board and Committee Meetings.
Directorship held in other Companies	Nil
Committee Memberships, if any, with position	Nil
Shareholding	Nil
Relationship with other Directors inter-se and KeyManagerial Personnel	None of the Directors or Key Managerial Personnel or their relatives are concerned or interested.
The number of Meetings of the Board attended duringthe year	Four Meetings attended during the F.Y 17-18.

DIRECTORS' REPORT

To,
The Shareholders

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Financial Statements and their Report thereon for the financial year ended 31st March, 2018.

Financial Results

Amount in (₹)

Particulars	**Consolidated**		**Standalone**	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Total Revenue	39,333,549	35,023, 057	27,980,614	24,921,097
Profit/ (Loss) before interest, depreciation and Taxation	2,200,027	1,442,966	1,601,956	1,064,253
Less: Interest	4,390	-	4,390	-
Depreciation	372,848	352,507	332,873	327,941
Profit before taxation	1,822,789	1,090,459	1,264,692	736,311
Less: Provision for taxation	-	65,284	-	-
Profit after Taxation	**1,822,789**	**1,025,175**	**1,264,692**	**736,311**

The financials of the Company are required to be prepared under IND AS, a new set of Accounting Standards. The financials for the previous financial year have also been restated in line with the requirements of IND AS. Accordingly, the figures may not be comparable with the financials prepared under the then prevailing accounting standards.

Company's Performance

During the period under review, at consolidated level, the company achieved revenue of Rs. 39,333,549, EBDITA Rs. 2,200,027 PBT of Rs. 1,822,789 and PAT of Rs. 1,822,789 as against a revenue of Rs. 35,023,057, EBDITA Rs. 1,442,966, PBT of Rs. 1,090,459 and PAT of Rs 1,025,175 respectively in the previous year.

At standalone level, the company achieved revenue of Rs. 27,980,614 EBDITA Rs. 1,601,956 PBT of Rs. 1,264,692 and PAT of Rs. 1,264,692 as against a revenue of Rs. 24,921,097 EBDITA Rs. 1,064,253 PBT of Rs. 736,311 and PAT of Rs 736,311 respectively in the previous year.

At the Standalone level the sales of the Company have increased by 12.89% as compared to previous year and at the Consolidated level also the sales of the Company has increased by 12.88% as compared to last year.

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

Events subsequent to the date of Financial Statements

There were no events to report that has happened subsequent to the date of the financial statements.

Change in the nature of business, if any

There has been no change in the nature of business of the company during the financial year 2017-18.

Share Capital

During the year under review the company has not altered its share capital.

Dividend

The directors have not recommended any dividend for the current financial year because of brought forward losses.

IND AS Standards

Your Company has adopted IND AS with effect from 1 April, 2017 pursuant to the notification dated February 15, 2015 under Section 133 of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, notifying the Companies (Indian Accounting

Standard) Rules, 2015. Your Company has published IND AS Financials for the year ended 31 March, 2018 along with comparable financials for the year ended 31 March, 2017 together with opening statement of Assets and Liabilities as on 1 April, 2016.

The quarterly results published by the Company during the financial year 2017-18 were also based on IND AS. These have been published in newspapers and also made available on the Company's website www.lnsel.com and the website of the stock exchanges where the shares of the Company are listed.

Quality Initiatives & Achievements:

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

Reserves

No amount was transferred to the reserves during the financial year ended on 31st March, 2018.

Future Prospects

Your company has maintained the business from domestic market in this year and has expanded its business in the overseas market. In order to meet the modern demands of corporates, the Company has identified new avenues of software business like Robotics Process Automation, Data Security and Cloud offerings. Your company continues to extend its enterprise solution to medium and large enterprises in India.

Following are few services that your company plans to offer in the coming years:

- Your Company is looking forward to work in the areas of Robotics Process Automation, Data Security and Cloud solutions as there is huge potential in these areas.
- Your Company is now focused on further expanding Enterprise Applications business both in domestic as well as in overseas market.
- Your Company has further developed niche products for specific industry verticals and plans to offer them on SaaS model in coming years.
- Your company is also planning to venture into new and emerging technologies like IoT, Robotics and Artificial Intelligence.
- Your Company has made strategic alliances to offer Data Security and Cloud solutions. The Company anticipates to get good volume of business in the coming year.

Your Company is constantly striving to keep pace with changing demands of corporates and adapt to new fields of innovation, improved performance with a continued sense of commitment to a higher standard. Your Company is committed to handle new roles and responsibilities and is open to accept new challenges on a global basis by virtue of its strengthened business model. In addition, there are continuous efforts at improving efficiency and delivering excellence in project execution.

Subsidiary companies

The Company has two subsidiaries namely Lensel Web Services Pvt Ltd and Rituraj Shares Broking Pvt. Ltd. as on March 31, 2018.

Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rule, 2014, the statement containing the salient features of the financial statement of a company's subsidiaries, is given in AOC-I as "Annexure 2", which forms a part of this Annual Report.

The Consolidated Financial Statements are prepared in line with Section 129(3) of the Act read with the aforesaid Rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and in accordance with the Indian Accounting Standards ("IND AS"). Consolidated Financial Statements and other applicable provisions include financial information of its subsidiary companies.

During the year no new subsidiary was formed or ceased. Further, the Company has no Joint Venture and Associate during the financial year ended 31st March, 2018.

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

The Company has adopted a policy for determining the criteria of material subsidiaries which can be viewed at the Company's website at the link: http://www.lnsel.com

Deposits

Your Company has not accepted any kind of deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Particulars of loans, guarantees and investments.

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

Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material save and except the carry forward balances appearing in the notes to accounts. In view of the above, the requirement of giving particulars of contracts / arrangements / transactions made with related parties, in Form AOC-2 are not applicable for the year under review.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link https://lnsel.com/wp-content/themes/lnselwp/pdf/Policy-for-determining-materiality.pdf.

The Directors draw attention of the members to Note no 24 to the standalone financial statement which sets out related party disclosures.

Material changes and Commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this report which may effect the financial position of the company.

Details of Significant and material orders passed by regulators/ court/ tribunals

There was no instance of any material order passed by any regulators/ court/ tribunals impacting the going concern status of the company.

Corporate Social Responsibility Initiatives

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

Disclosure Relating To Material Variations

As per Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, there are no such material variances in the Company.

Material Changes and Commitments, If any, affecting The Financial Position between the end of the Financial Year and date of the report

There are no material changes or commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

Details Of Significant And Material orders passed by the Regulators /Courts / Tribunals Impacting the going concern status and the Company's operations in future

There are no significant and material orders passed by any Regulators / Courts /Tribunals, which impacts the going concern status of the Company or will have any bearing on Company's Operations in future.

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors and Key Managerial Personnel

Your Director Mr. AJAY KUMAR AGARWAL retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Additional information and brief profile as required under the SEBI Regulations for the Director seeking reappointment is annexed to the Notice of AGM.The Board of Directors of your Company recommends his reappointment in the Board.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015. All the declarations were placed before the Board.

Board and Committee Meetings

Four meetings of the board were held during the year. For details of the meetings of the board and its Committees, please refer to the Corporate Governance Report, which forms part of this report.

Familiarizations Programme for Ids'

In terms of 25(7) of Listing Regulations, 2015, the Company has conducted the Familiarization Programme for Independent Director to familiarize them with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives.

Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the directors and the working of its Committees on the evaluation criteria defined by the Nomination and Remuneration Committee for performance evaluation process of the Board, its Committee and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee Composition and effectiveness of Meetings. The Directors including the Chairman of the Board were evaluated on parameters such as level of attendance, engagements and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the directors being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Policy on Appointment of Director and Remuneration

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

The remuneration determined for Executive/ Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Directors appointed on the Board are paid sitting fees for attending the Board and Board Committee meetings. No other remuneration or commission is paid to the Non-Executive Directors.

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The said Remuneration Policy is annexed as **Annexure-3** to this report.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company, during the period (the Trading Window is closed). The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee of the Board reviews the internal control systems, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors and Statutory Auditors.

Auditors

M/s Jain Sonu & Associates, Chartered Accountants, Kolkata (Firm Registration No. 324386E), were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting held on 23rd September, 2017 in terms of the provisions of Section 139 of Companies Act, 2013 to hold office until the conclusion of 33rd Annual General Meeting, subject to ratification at each Annual General Meeting.

In terms of Companies (Amendment) Act, 2017, effective from 7th May, 2018, the requirement of seeking ratification of auditors' appointment at every annual general meeting has been dispensed with.

In view of the above, the Board will not be placing any resolution seeking shareholders' ratification of appointment of M/s Jain Sonu & Associates, Chartered Accountants, Kolkata as Statutory Auditors of the Company at annual General Meetings during the course of its remaining tenure.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mrs. Rasna Goyal, a Practicing Company Secretary in Practice (CP No. - 9209) to undertake the Secretarial Audit of the Company for the year ended 31st March 2018. The Secretarial Audit Report in this regard is annexed as **Annexure-4**. There are no qualifications or observations or remarks made by Secretarial Auditor in her report.

Risk Mangement Policy

In terms of the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has taken adequate measures to mitigate various risk encountered. In the opinion of the Board there is no such risk which may threaten the present existence of the Company.

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure-5**.

Particulars of Employees and related disclosures

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

Disclosure Under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013

The Company has always believed in a policy against sexual harassment which has also found its place in the governing Codes of Conduct and Ethics applicable to its employees which includes a mechanism to redress such complaints. The Company has a zero tolerance approach to any form of sexual harassment. During the year under review there were no complaints of sexual harassment reported to the Company.

Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors, employees and others who are associated with the Company to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Policy provides for adequate safeguards against victimization of Employees/ Directors who avail the mechanism. The company affirms that no person has been denied access to the Audit Committee in this respect. The said policy has been uploaded on the website of the Company at http://www.lnsel.com

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

The Statement pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Company's (Accounts) Rules 2014 is annexed as **Annexure-6** to this report.

Declaration by Independent Directors

Shri Vikash Kamani, Shri Sushil Kumar Gupta and Miss Leela Murjani are Independent Directors on the Board of your Company. The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of Independence as provided under section 149(6) of the Companies Act, 2013.

Corporate Governance & Management Discusssion and Analysis

The Company continues to remain committed to high standards of corporate governance. The Company is in compliance with all the provisions of Corporate Governance as stipulated in the Regulations under Chapter IV of SEBI Listing Regulations. The Corporate Governance Report and the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of this report and annexed as **Annexure-7**. The Management Discussion and Analysis Report in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review forms part of this report and annexed as **Annexure-1.**

Acknowledgments

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

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

For and on behalf of the Board of Directors of
Lee & Nee Softwares (Exports) Ltd.

Place : Kolkata
Dated : 26th July, 2018

Ajay Kumar Agarwal
Director
(DIN : 01265141)

Arpita Gupta
Director
(DIN : 02839878)

Annexure-1

Management Discussion and Analysis Report:

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

ERP:

Enterprise resource planning (ERP) is business process management software that provides seamless communication and real-time data for businesses, and is an extremely helpful tool that centralizes all islands of information and streamlines it to multiple departments in an enterprise.

The ERP software market grew 10.7% overall in 2017 (in U.S. dollars), driven by varied demand across all segments. Human Capital Management led the market growth for the second year growing by 15.9%.

Your company is a Partner of SAP which is the world leader in enterprise applications in terms of software and software related service revenue. With more than 404,000+ customers in more than 180 countries and 17,000+ partnering companies globally, SAP is the world's third largest independent software manufacturer based on market capitalization. The reason why their ERP solution is so successful is because nearly 50,000 ERP customers have helped shape its scope through programs like Customer Influence. SAP leads the major ERP vendors for overall market share with 19 percent and has the largest gap between planned cost ($1.44 million) and actual cost ($2.09 million).

Oracle :

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

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

Oracle ERP Cloud offers a complete, innovative, and proven solution for organizations of all sizes that want to thrive in the digital economy. With industry standards and modern best practices, Oracle is the one cloud for your entire business. It manages accounting, financial planning and analysis, revenue recognition, risk management, tax reporting and so much more.

ERP for Education Sector :

Your Company has developed a customized ERP package catered to reputed Universities, Colleges and Schools in India. It is a web based campus automation system having various modules required for the functioning of any university. In addition to the existing customers your Company has further extended this solutions to few more Colleges and Schools in India and look forward to add many more in the near future.

HRMS & Payroll Solutions :

It is web based solution to manage Payroll, Leave module, Reimbursement module, Staff Loan module, Income Tax module along with many statutory and MIS reports. Your Company has recently launched this solution and it has been deployed successfully in many big corporates and educational institutes.

Mobile Applications :

India adds the highest number of internet users per year, vs. any other country in the world. More importantly, over 60% of consumers access the internet via their smart phones.

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

At Lee & Nee Softwares (Exports) Ltd, we have expertise in developing mobile applications for different platform and Mobile devices such as Android Application Development, iPhone Mobile Apps Development and Hybrid Mobile Development.

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

IT staffing and Training Services :

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

IoT and other Segments :

Your company is also planning to venture into new and emerging technologies like IoT, Robotics and Artificial Intelligence

Risk & Concerns

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

CONCENTRATION RISK : Regional concentration as well as vertical concentration can adversely impact Company's business in case of a slowdown

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

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

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

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

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

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

THREATS

The Indian IT-ITES industry is facing several threats that need to be addressed.

The Indian IT-ITES industry, owing to the uncertain global economic and geopolitical climate is continuing to face challenges.

High attrition rates in the IT-BPO segment is a major concern for companies. With attrition rates ranging between 25-40 percent, attrition is a big challenge. Apart from a loss of skill sets, the cost of recruitment and training represent an additional expenditure for Indian IT-BPO firms.

The emergence of Philippines and China is also a challenge. The Philippines has already overtaken India in terms of 'voice' revenues and China, with its cost and infrastructure benefits, is emerging as a favourable outsourcing destination.

Shortage of quality and employable talent and rising costs in the major IT hubs are also challenges that need to be addressed.

The grave challenges facing the Indian IT-BPO industry include a slackening of demand from major markets, reduction in larger contracts, stiff work permit regulations in some critical regions and competition from other emerging economies on trained resources.

Growth:

In FY 2018, the global market for software and services is estimated to have grown to $1.3 Trillion. Within that, outsourced IT-BPM services grew by 2.6% over the prior year. IT Services is estimated to have grown by 2.4% year on year, driven by digital demand, while Business Process Management (BPM) grew by 4% over the prior year on account of greater implementation of automation.

As per the industry body Nasscom, outlook for the Indian information technology (IT) sector is 'cautiously positive' in 2018 as challenges remain amidst prospects of greater IT spending with global and US economies improving.

Nasscom said the industry continues to grow steadily to establish itself as a 'Digital Partner' to the world. It believes that the future of the industry lies in 'Digital at Scale' as global digital spending is growing at 20% annually. The digital revenues grew at 30% in FY18, demonstrating the base for a solid foundation in digital capabilities built by the sector.

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:

Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. The increase in public wages and pensions, good monsoon, lower energy prices will support the consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented. However, large non-performing loans and high leverage of some companies are holding back investment.

Monetary policy is projected to remain tight as inflation expectations have still not fully adjusted down. The need to reduce the relatively high public-debt-to-GDP ratio leaves little room for fiscal stimulus. However, investing more in physical and social infrastructure is critical to raising living standards for all. This should be financed by a comprehensive reform of income and property taxes. Restoring credit discipline and cleaning up banks' balance sheets will be instrumental to support the credit growth needed to finance more business investment.

Trade openness has increased, partly driven by a competitive service sector. Manufacturing has lagged behind, with limited contribution to exports and job creation, leaving many workers in low-paid jobs. Promoting quality job creation in manufacturing would require reducing further restrictions on FDI and trade, modernising labour regulations and providing better education and skills. Better infrastructure, transport and logistic services would facilitate manufacturing firms' access to global markets, particularly from remote and poorer regions.

Internal Control System and their adequacy:

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

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

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

Discussion on financial performance with respect to operational performance:

At the Standalone level the sales of the Company have increased by 12.89 % as compared to previous year. The company continues to sign 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. The company has identified new avenues of software business i.e. Robotics Process Automation, Data Security and Cloud offerings as there is huge potential in these areas. Company is now focused on further expanding Enterprise Applications business both in domestic as well as in overseas market. Company has developed niche products for specific industry verticals and plans to offer them on SaaS model in coming years. The company is very optimistic in getting the higher growth in the coming years as 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:

The total number of permanent employees of the Company as on 31st March, 2018 was 35.

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

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

Our hiring requirements expected to increase by at least 20 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 2018 and are exploring new avenues to decrease hiring turnaround times.

Annexure-2

Form AOC-1

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

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY

(Rs. In Lakhs)

No. Particulars	**Lensel Web Services Pvt. Ltd**	**Rituraj Shares Broking Pvt. Ltd**
	As on 31.03.2018	**As on 31.03.2018**
The date since when subsidiary acquired		
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
Share Capital		
Authorised Capital	10.00	50.00
Issued, Subscribed and fully paid up Capital	10.00	36.20
Reserves & Surplus	68.14	374.34
Total Assets	554.20	414.74
Total Liabilities (excluding shareholder's fund)	476.06	4.20
Investments	30.57	173.89
Turnover (Revenue from operation)	85.41	28.12
Profit/(Loss) Before Taxation	0.74	4.80
Provision for Taxation	NIL	NIL
Profit/(Loss) after Taxation	0.74	4.80
Proposed Dividend (%)	NIL	NIL
% of Shareholding	100%	100%

For and on behalf of the Board of Directors of
Lee & Nee Softwares (Exports) Ltd.

	Ajay Kumar Agarwal	**Arpita Gupta**
Place : Kolkata	Director	Director
Dated : 26th July, 2018	(DIN : 01265141)	(DIN : 02839878)

Annexure-3

Remuneration Policy

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

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

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

IMPLEMENTATION

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

Annexure-4

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2018

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

To,
The Members,
Lee and Nee Softwares (Exports) Limited,
14B Camac Street, Kolkata 700 017

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Lee and Nee Softwares (Exports) Limited for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- (**Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (**Not applicable to the Company during the Audit Period)**

(g) The Securities and Exchange Board of India **(Issue and Listing of Debt Securities)** Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (**Not applicable to the Company during the Audit Period)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Information Technology Act, 2000 and the rules made thereunder.

I further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with the laws applicable to the company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India complied generally.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited, Calcutta Stock Exchange Limited.

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

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

I further report that,

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For **Rasna Goyal**

Place: Kolkata — Practising Company Secretary

Date: 26th July, 2018 — C.P No. 9209, FCS No. 9096

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

'Annexure A'

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

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

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

For **Rasna Goyal**

Practising Company Secretary
C.P No. 9209, FCS No. 9096

Place: Kolkata
Date: 26th July, 20187

Annexure - 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018
of
LEE AND NEE SOFTWARES (EXPORTS) LIMITED

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

I REGISTRATION AND OTHER DETAILS :

i)	CIN	L70102WB1988PLC045587
ii)	Registration Details	18TH NOVEMBER 1988
iii)	Name of the Company	LEE AND NEE SOFTWARES (EXPORTS) LTD.
iv)	Category/ Sub-Category of the Company	PUBLIC LIMITED COMPANY
v)	Address of the Registered Office and Contact details	14B CAMAC STREET, KOLKATA-700017 Tel: 033 40650377/0374, Fax No.: 033-40650378 Email id: investors@lnsel.com, Website:www.lnsel.com
vI)	Whether listed Company	YES, Listed with BSE Ltd, Calcutta Stock Exchange Ltd.
vii)	Name, Address and contact details of "Registrar & Transfer Agents (RTA) if any"	Maheswari Datamatics Pvt. Ltd, 23 R N Mukherjee Road, 5th Floor, Kolkata – 700 001 Telephone : No: 22435029 / 22482248 / 22316839 Fax no. 22484787, E-mail – mdpl@cal.vsnl.net.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-Apr-2017]				No of Shares held at the end of the year [As on 31-Mar-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	21387239	0	21387239	38.3463	21628239	0	21628239	38.7784	0.4321
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	17084862	31000	17115862	306879	17622991	0	17622991	31.5971	0.9092
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	38472101	31000	38503101	69.0342	39251230	0	39251230	70.3755	1.3413
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	38472101	31000	38503101	69.0342	39251230	0	39251230	70.3755	1.3413
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investor Provident Funds /									
Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	0	0	0	0.0000	0	0	0	0.0000	0.0000

2.	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	1149565	12879	1162444	2.0842	961395	12879	974274	1.7468	-0.3374
ii)	Overseas									
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	5786290	1713199	7499489	13.4462	6215508	1695699	7911207	14.1845	0.7383
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8505948	0	8505948	15.2507	7488066	0	7488066	13.4257	-1.8250
c)	Others (Specify)									
	Non Resident Indians	90457	0	90457	0.1622	97070	0	97070	0.1740	0.0118
	Qualified Foreign Investor									
	Custodian of Enemy Property									
	Foreign Nationals									
	Clearing Members	12561	0	12561	0.0225	52153	0	52153	0.0935	0.0710
	Trusts									
	Foreign Bodies-D R									
	Sub-total(B)(2):-	15544821	1726078	17270899	30.9658	14814192	1708578	16522770	29.6245	-1.3413
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	15544821	1726078	17270899	30.9658	14814192	1708578	16522770	29.6245	-1.3413
C.	**Shares held by Custodian for GDRs & ADRs**									
	Grand Total (A+B+C)	54016922	1757078	55774000	100.0000	54065422	1708578	55774000	100.0000	0.0000

ii) Shareholding of Promoters :-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-Apr-2017)			Shareholding at the end of the year (As on 31-Mar-2018)			% Change in share holding during the year
		No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged/ encumbered to total shares	
1	HARESH COLLECTIONS PVT LTD / AAACH7181A	9945281	17.8314	0.0000	10269410	18.4125	0.0000	0.5811
2	SUNITA GUPTA / ADYPG0114E	8573533	15.3719	0.0000	8573533	15.3719	0.0000	0.0000
3	RITURAJ SHARES AND SECURITIES LIMITED / AACCR1449P	7170581	12.8565	0.0000	7353581	13.1846	0.0000	0.3281
4	RAJ KUMARI AGARWAL / ADCPA3440M	5029418	9.0175	0.0000	5229418	9.3761	0.0000	0.3586
5	NEENA GUPTA / ADNPG2279F	4801772	8.6093	0.0000	4801772	8.6093	0.0000	0.0000
6	S.M.GUPTA / ACVPG5705B	1193817	2.1405	0.0000	1193817	2.1405	0.0000	0.0000
7	MAHESH GUPTA / ADGPG0686B	1358973	2.4366	0.0000	1399973	2.5101	0.0000	0.0735
8	LEENA GUPTA / ADDPG2831P	368326	0.6604	0.0000	368326	0.6604	0.0000	0.0000
9	ARPITA GUPTA / ADOPA5454H	55200	0.0990	0.0000	55200	0.0990	0.0000	0.0000
10	SAGAR MAL GUPTA / AAPHS0927R	6200	0.0111	0.0000	6200	0.0111	0.0000	0.0000
	TOTAL	38503101	69.0341	0.0000	39251230	70.3755	0.0000	1.3414

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01-Apr-2017) / end of the year (31-Mar-2018)		Cumulative Shareholding during the year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	HARESH COLLECTIONS PVT LTD / AAACH7181A				
	At the beginning of the year (01-Apr-2017)	9945281	17.8314		
	12/01/2018 - Transfer	324129	0.5811	10269410	18.4125
	At the end of the year (31-Mar-2018)	10269410	18.4125	10269410	18.4125
2	RITURAJ SHARES & SECURITIES LIMITED/ AACCR1449P				
	At the beginning of the year (01-Apr-2017)	7170581	12.8565		
	05/05/2017 - Transfer	-31000	0.0556	7139581	12.8080
	12/05/2017 - Transfer	31000	0.0556	7170581	12.8565
	12/01/2018 - Transfer	183000	0.3281	7353581	13.1846
	At the end of the year (31-Mar-2018)	7353581	13.1846	7353581	13.1846
3	SAGAR MAL GUPTA / AAPHS0927R				
	At the beginning of the year (01-Apr-2017)	6200	0.0111		
	At the end of the year (31-Mar-2018)	6200	0.0111	6200	0.0111
4	S.M.GUPTA / ACVPG5705B				
	At the beginning of the year (01-Apr-2017)	1193817	2.1405		
	12/01/2018 - Transfer	-200000	0.3586	993817	1.7819
	19/01/2018 - Transfer	200000	0.3586	1193817	2.1405
	At the end of the year (31-Mar-2018)	1193817	2.1405	1193817	2.1405
5	RAJ KUMARI AGARWAL / ADCPA3440M				
	At the beginning of the year (01-Apr-2017)	5029418	9.0175		
	12/01/2018 - Transfer	200000	0.3586	5229418	9.3761
	At the end of the year (31-Mar-2018)	5229418	9.3761	5229418	9.3761
6	LEENA GUPTA / ADDPG2831P				
	At the beginning of the year (01-Apr-2017)	368326	0.6604		
	At the end of the year (31-Mar-2018)	368326	0.6604	368326	0.6604
7	MAHESH GUPTA / ADGPG0686B				
	At the beginning of the year (01-Apr-2017)	1358973	2.4366		
	19/01/2018 - Transfer	41000	0.0735	1399973	2.5101
	At the end of the year (31-Mar-2018)	1399973	2.5101	1399973	2.5101
8	NEENA GUPTA / ADNPG2279F				
	At the beginning of the year (01-Apr-2017)	4801772	8.6093		
	At the end of the year (31-Mar-2018)	4801772	8.6093	4801772	8.6093
9	ARPITA GUPTA / ADOPA5454H				
	At the beginning of the year (01-Apr-2017)	55200	0.0990		
	At the end of the year (31-Mar-2018)	55200	0.0990	55200	0.0990
10	SUNITA GUPTA / ADYPG0114E				
	At the beginning of the year (01-Apr-2017)	8573533	15.3719		
	At the end of the year (31-Mar-2018)	8573533	15.3719	8573533	15.3719

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-Apr-2017) / end of the year (31-Mar-2018)		Cumulative Shareholding during the year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	R. B. K. SHARE BROKING LTD. / AAACR5488A				
	At the beginning of the year (01-Apr-2017)	546000	0.9790		
	At the end of the year (31-Mar-2018)	546000	0.9790	546000	0.9790
2	SHEELA DOSHI / AABPD3517G				
	At the beginning of the year (01-Apr-2017)	300000	0.5379		
	At the end of the year (31-Mar-2018)	300000	0.5379	300000	0.5379
3	TEJRAJ DOSHI / AABPD3518K				
	At the beginning of the year (01-Apr-2017)	300000	0.5379		
	At the end of the year (31-Mar-2018)	300000	0.5379	300000	0.5379
4	HARSHAL AGRAWAL / AACHH6304Q #				
	At the beginning of the year (01-Apr-2017)	507129	0.9093		
	12/01/2018 - Transfer	-507129	0.9093	0	0.0000
	At the end of the year (31-Mar-2018)	0	0.0000	0	0.0000
5	JAYESH TARACHAND KOTHARI / AACPK1361Q				
	At the beginning of the year (01-Apr-2017)	625000	1.1206		
	At the end of the year (31-Mar-2018)	625000	1.1206	625000	1.1206
6	JAGADISH PRASAD TOSAWAR / ABSPT4421F				
	At the beginning of the year (01-Apr-2017)	548914	0.9842		
	19/01/2018 - Transfer	-41000	0.0735	507914	0.9107
	At the end of the year (31-Mar-2018)	507914	0.9107	507914	0.9107
7	RAM GOPAL RAMGARHIA / ADGPR8048E				
	At the beginning of the year (01-Apr-2017)	283113	0.5076		
	19/05/2017 - Transfer	6070	0.0109	289183	0.5185
	26/05/2017 - Transfer	5057	0.0091	294240	0.5276
	02/06/2017 - Transfer	2349	0.0042	296589	0.5318
	17/11/2017 - Transfer	-5420	0.0097	291169	0.5221
	24/11/2017 - Transfer	-8056	0.0144	283113	0.5076
	12/01/2018 - Transfer	-76993	0.1380	206120	0.3696
	19/01/2018 - Transfer	-2973	0.0053	203147	0.3642
	At the end of the year (31-Mar-2018)	203147	0.3642	203147	0.3642
8	ABHISHEK TEJRAJ DOSHI / AEGPD9279J				
	At the beginning of the year (01-Apr-2017)	298145	0.5346		
	At the end of the year (31-Mar-2018)	298145	0.5346	298145	0.5346

9	SARITA CHATRAKA / ANVPC0139N *				
	At the beginning of the year (01-Apr-2017)	185271	0.3322		
	At the end of the year (31-Mar-2018)	185271	0.3322	185271	0.3322
10	NEHA SHARMA / BQDPS4562D				
	At the beginning of the year (01-Apr-2017)	912516	1.6361		
	19/01/2018 - Transfer	-250000	0.4482	662516	1.1879
	23/02/2018 - Transfer	10000	0.0179	672516	1.2058
	09/03/2018 - Transfer	11800	0.0212	684316	1.2269
	23/03/2018 - Transfer	13200	0.0237	697516	1.2506
	At the end of the year (31-Mar-2018)	697516	1.2506	697516	1.2506

* *Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.*

\# *Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.*

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (01-Apr-2017) / end of the year (31-Mar-2018)		Cumulative Shareholding during the year (01-Apr-2017 to 31-Mar-2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	S.M.GUPTA (PAN : ACVPG5705B)				
	At the beginning of the year (01-Apr-2017)	1193817	2.1405		
	12/01/2018 - Transfer	-200000	0.3586	993817	1.7819
	19/01/2018 - Transfer	200000	0.3586	1193817	2.1405
	At the end of the year (31-Mar-2018)	1193817	2.1405	1193817	2.1405
2	MAHESH GUPTA (PAN : ADGPG0686B)				
	At the beginning of the year (01-Apr-2017)	1358973	2.4366		
	19/01/2018 - Transfer	41000	0.0735	1399973	2.5101
	At the end of the year (31-Mar-2018)	1399973	2.5101	1399973	2.5101
3	ARPITA GUPTA (PAN : ADOPA5454H)				
	At the beginning of the year (01-Apr-2017)	55200	0.0990		
	At the end of the year (31-Mar-2018)	55200	0.0990	55200	0.0990
4	LEELA MURJANI (PAN : ADQPM9518E)				
	At the beginning of the year (01-Apr-2017)	286094	0.5130		
	At the end of the year (31-Mar-2018)	286094	0.5130	286094	0.5130

VI. INDEBTEDNESS

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

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

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other Directors :

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	**Independent Directors**	Mr. Sushil Kumar Gupta	Miss. Leela Murjani	Mr. Vikash Kamani	
		(₹)	(₹)	(₹)	(₹)
	Fee for attending board/ Committee meetings	10,000.00	8,000.00	-	18,000.00
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	**10,000.00**	**8,000.00**	**-**	**18,000.00**
2	**Others Non Executive Directors**	Mrs. Arpita Gupta (₹)			
	Fee for attending board/ Committee meetings	-			-
	Commission	-			-
	Others	-			-
	Total (2)	**-**			**-**
	Total (B)=(1+2)	**10,000.00**	**8,000.00**		**18,000.00**

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

Sl. No		Particulars of Remuneration	Key Managerial Personnel			Total Amount
			Mahesh Gupta CEO (₹)	**Pritika Gupta** Company Secretary (₹)	CFO (₹)	(₹)
1.	(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	186,011.00	196,398.00	382,409.00
	(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c)	Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.		Stock Option	-	-	-	-
3.		Sweat Equity	-	-	-	-
4.		Commission				
		(a) As % of Profit	-	-	-	-
		(b) Others (Specify)	-	-	-	-
5.		Others (Please Specify)	-	-	-	-
		Total	**-**	**186,011.00**	**196,398.00**	**382,409.00**

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/NCLT/COURT)	Appeal made if any
A. COMPANY					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		
B. DIRECTORS					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		

For and on behalf of the Board of Directors of
Lee & Nee Softwares (Exports) Ltd.

Ajay Kumar Agarwal
Director
(DIN : 01265141)

Arpita Gupta
Director
(DIN : 02839878)

Place : Kolkata
Dated : 26th July, 2018

Annexure-6

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

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

A.	Conservation of Energy		:	Not Applicable
B.	Technology Absorption		:	Your Company is developing its capabilities in I. T. Enabled Services and Medical Transcription as well as an ERP vending, Implementation, supporting and training services. An expansion in the operation is ahead through strategic alliances for Business Process Outsourcing Projects.
C.	a)	Foreign Exchange Earning	:	Rs. 8,550,954.40 (previous year Rs. 8,320,950.63)
	b)	Foreign Exchange Outgoing	:	Rs. Nil (previous year Rs. Nil)

For and on behalf of the Board of Directors of
Lee & Nee Softwares (Exports) Ltd.

Ajay Kumar Agarwal
Director
(DIN : 01265141)

Arpita Gupta
Director
(DIN : 02839878)

Place : Kolkata
Dated : 26th July, 2018

Annexure-7

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

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 31.03.2018 to the various Stock Exchanges aggregating to Rs. 2,80,000/- has been paid.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to a system of good corporate governance, as it firmly believes that good corporate governance signifies good corporate practices aimed at increasing value for its shareholders, customers, employees, the government and all other stakeholders. Corporate governance of the Company accords high importance for compliance with laws, rules and regulations at all times. The Company's internal control measures ensure the reliability of financial statements.

The Company is in full compliance with the applicable requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

II. BOARD OF DIRECTORS:

(A) Composition of Board

The Board of Directors has Six Directors as on 31st March, 2018, comprising (i) 3 Independent Directors (ii) Chairman being Executive Director (iii) 1 Woman Independent Director and (iv) 1 Non Executive Director. The Composition of the board is in confirmity with the requirement relating to Composition of the Board under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting with particulars of their Directorship and Chairmanship/ Membership of Board/ Committees in other companies as on 31st March, 2018 are given below:

Name of the Director	Position	No. of Meetings Held	No. of Meetings attended	Whether attended last AGM	No. of other directorship	No. of Committee Membership (Including in the Company)	
						Member	Chairman
Mr. Ajay Kumar Agarwal (DIN - 01265141)	Executive Director-Chairman	4	4	Yes	0	-	-
Mr. Sagarmal Gupta (DIN - 00536428)	Promoter Director	4	4	Yes	1	2	-
Mrs. Arpita Gupta (DIN - 02839878)	Non-Executive Director	4	4	Yes	2	1	1
Mr. Vikash Kamani (DIN - 06875355	Independent Director / Non-Executive	4	3	Yes	0	-	2
Mr. Sushil Kumar Gupta (DIN - 00535958)	Independent Director / Non-Executive	4	4	Yes	5	1	-
Miss Leela Murjani (DIN - 02413222)	Independent Director / Non-Executive	4	4	Yes	1	2	-

Four Meetings of the Board of Directors were held during the year ended on 31st March 2018. These were held on 10th May 2017, 21st July 2017, 25th October 2017 and 30th January 2018.

The necessary quorum was present for all the meetings.

The information as required under Part A of Schedule II pursuant to Regulation 17 of SEBI Listing Regulations is made available to the Board. The Board periodically reviews compliance reports of all laws applicable to the Company, as prepared by the Company.

During the year a separate meeting of the independent directors was held on 30th January, 2018 as required under Regulation 25(3) of the SEBI Listing Regulations. At the meeting the Independent directors;

a) Reviewed the performance of non-independent directors and the board as a whole.

b) Reviewed the performance of the Chairman of the Company.

c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, the Board has carried out an Annual Evaluation of the performance of Independent Directors and the Board of Directors.

The Company familiarizes its Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company, operates, etc. through various programmes. The familiarization programmes for Independent Directors is disclosed on the Company's Website (URL: www.lnsel.com/investors).

(B) Non executive Directors compensation & disclosures

Name of the Director	Sitting fees	Total
1. Mrs. Arpita Gupta	Waived	Waived
2. Mr. Vikash Kamani	Waived	Waived
3. Mr. Sushil Kumar Gupta	10000	10000
4. Miss Leela Murjani	8000	8000

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

2. The Company did not have any pecuniary relationship or transaction with the Non-Executive Directors during the year ended 31st March, 2018 save and except the sitting fees accepted by the two directors.

(C) Code of Conduct

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

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

All Board members and senior management personnel have affirmed compliance with the applicable Code of Conducts for the year under review. A declaration to this effect by the CEO, forms part of this report.

III. AUDIT COMMITTEE

(A) Qualified & Independent Audit Committee

A qualified and Independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of SEBI Listing Regulations read with section 177 of the Act.

(B) Meeting of Audit Committee

The Committee has met 4 times in the financial year ended 31st March 2018 and the gap between the two meetings did not exceed 120 days. They were held on 10th May 2017, 21st July 2017, 25th October 2017 and 30th January 2018. The minutes of the meeting of the Audit Committee is reviewed and noted by the Board.

The necessary quorum was present for all the meetings. The Committee Meetings are attended by the Chief Executive Officer, Chief Financial Officer, representatives of the Statutory Auditor and Internal Auditor. The Company Secretary acts as the Secretary of the Audit Committee.

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

Name of Member	Category	Position	No. of Meeting Held	No. of Meeting attended
1. Mr. Vikash Kamani	Independent, Non-Executive	Chair Person	4	3
2. Mr. Sushil Kumar Gupta	Independent, Non-Executive	Member	4	4
3. Mr. S.M Gupta	Promoter	Member	4	4

(C) Terms of Reference

The terms of reference of the Audit Committee of the Company include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, reappointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosures of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly / year to date financial statement and Auditor's Report there on before submission to the Board for approval.
- Reviewing with the management the financial statements of subsidiaries and in particular the investments made by each of them.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, if any and making appropriate recommendations to the board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transaction of the company with related party.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings of assets of the company, where ever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any areas of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors if any.
- To review the functioning of the Whistle Blower Mechanism.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(D) Review of Information by Audit Committee

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

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

IV. NOMINATION AND REMUNERATION COMMITTEE

(A) The Nomination and Remuneration Committee of the Company is constituted in the line with the provisions of Regulation 19 of SEBI Listing Regulations, read with section 178 of the Act. The composition of the Committee is as follows:

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

During the Financial Year 2017-18, the committee meeting held on 29th Jan, 2018.

(B) Terms of Reference

The role of the Committee of the Company includes the following:

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

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

(A) The Composition of the Stakeholders Relationship Committee is as follows:

Name of the Members	Category	Position	No. of Meetings Held	No. of Meetings attended
1. Mrs. Arpita Gupta	Non-Executive Director	Chairman	1	1
2. Mr. S. M. Gupta	Promoter Director	Member	1	1
3. Miss Leela Murjani	Independent, Non-Executive Director	Member	1	1

During the Financial Year 2017-18, the committee meeting held on 29th Jan, 2018.

(B) Terms of Reference

In terms of section 178(5) of the Act and Regulation 20 of the SEBI Listing Regulation, the terms of reference of the Stakeholders Relationship Committee is to resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

Mrs. Pritika Gupta, Company Secretary is the Compliance Officer to oversee the investor's grievances and the matters relating to share transfer.

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

The total number of complaints received and replied to the satisfaction of shareholders. There were no complaints pending as on 31st March, 2018.

VI. SUBSIDIARY COMPANIES

There are two non listed subsidiary Company. The Audit Committee of the listed holding company reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the unlisted subsidiary company.

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

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

VII. RISK MANAGEMENT

In terms of the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has taken adequate measures to mitigate various risk encountered. In the opinion of the Board there is no such risk which may threaten the present existence of the Company.

VIII. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2014-15	September 26, 2015	11 A.M	Shishir Mitra Hall, Webel Bhawan, Kolkata-700091
2015-16	September 24, 2016	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
2016-17	September 23, 2017	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091

No Special Resolution was passed at the AGM held on September 23,2017.

No Special Resolution was passed through Postal Ballot last year.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

IX. DISCLOSURES

(A) Related party transactions:

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

(B) Disclosure of Accounting Treatment

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

(C) Remuneration of Directors

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

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

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

(E) Reconciliation of share capital audit:

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

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

(G) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of the SEBI Listing Regulations for Directors, employees and others who are associated with the Company to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy provides adequate safeguards against victimization of employees/ directors who avail the mechanism. The Company affirms that no person has been denied access to the Audit Committee in this respect. The said policy has also been put on the website of the company www.lnsel.com/investors.

(H) The Company has complied with all the mandatory requirements specified in SEBI Listing Regulations relating to Corporate Governance. The Company has adopted the following non-mandatory requirements specified in SEBI Listing Regulations.

a) The Auditors have not qualified the financial statements of the Company.

b) Separate posts of Chairman and CEO.

c) The Internal Auditor of the Company report to the Audit Committee.

(I) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board on an annual basis. This certificate for the financial year 2017-18 was placed before the Board at its meeting held on May 21, 2018.

(X) MEANS OF COMMUNICATION

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

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

The results are also placed at website of the Company; www.lnsel.com.

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

(XI) GENERAL SHAREHOLDERS INFORMATION

Corporate Identification Number (CIN)	:	L70102WB1988PLC045587
Registered Office	:	14B, Camac Street, Kolkata - 700 017

Registrar and Share Transfer Agents

Shares transfers and all other investor related activities are attended to and processed at the registered office of our Registrar and Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints kindly contact our Registrar and Transfer Agent at the following address:

Maheshwari Datamatics Pvt. Ltd.
23, R.N.Mukherjee Road, 5th Floor
Kolkata - 700 001
Telephone No. 22435029 / 22482248
Fax no. 22484787
E-mail - mdpl@cal.vsnl.net.in

Stock Code:

BSE Ltd. 517415

Demat ISIN Nos. INE791B01014

Investors' Complaints may be Addressed to :

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

Annual General Meeting :

Date	:	29th September 2018
Time	:	11.00 A.M.
Venue	:	Shishir Mitra Hall Webel Bhawan, 3rd Floor, Block EP & GP Sector V, Saltlake, Kolkata - 700 091.

Financial Calendar 2018 - 2019

First Quarterly Results	:	July, 2018
Second Quarterly Results	:	October, 2018
Third Quarterly Results	:	January, 2019
Annual results for the year Ending on 31st March, 2019	:	On or before 30th May, 2019.
Annual General Meeting for the Year ending on 31st March, 2019.	:	On or before 30th September, 2019.

Book Closure:

22nd day of September 2018 to 29th day of September, 2018 (Both days inclusive).

Listing of Securities:

Name of the Stock Exchange:

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

Distribution of Shareholding:

The shareholding distribution of Equity Shares as on 31st March, 2018 is given below:

Sl No.	No. of Equity Shares Held			No. of Share Holders	% of Share Holders	No. of Shares	% of Shareholding
1.	1	to	500	15887	84.33	2833506	5.08
2.	501	to	1000	1432	7.60	1245604	2.23
3.	1001	to	2000	707	3.75	1144816	2.05
4.	2001	to	3000	225	1.20	588616	1.06
5.	3001	to	4000	104	0.55	379175	0.68
6.	4001	to	5000	135	0.72	644387	1.16
7.	5001	to	10000	179	0.95	1328255	2.38
8.	10001	to	Above	170	0.90	47609641	85.36
	TOTAL			**18839**	**100.00**	**55774000**	**100.00**

Category of Shareholders (as on 31.03.2018)

Category	No. of Holders	No. of Shares	% of holding
PROMOTER	10	39251230	70.38
NRI	35	97070	0 .17
FII	--	--	--
OCB	--	--	--
IFI	--	--	--
IMF	--	--	--
BANK	--	--	--
EMPLOYEES	--	--	--
BODIES CORPORATE	141	974274	1.75
CM	18	52153	0.09
PUBLIC	18424	15399273	27.61
TRUST	--	--	--

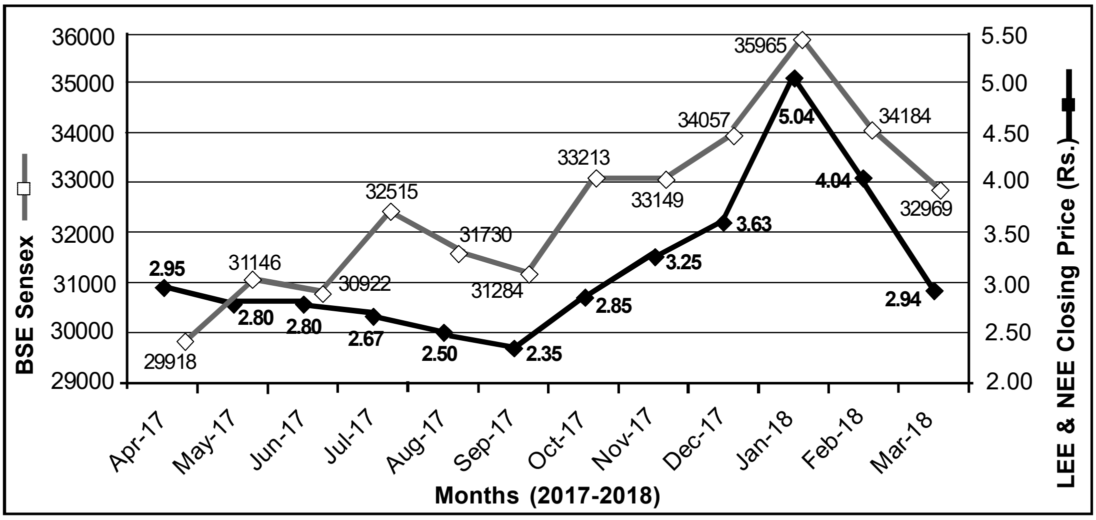
Market Price Data:

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

Month	Quotation at Bombay Stock Exchange		
	High (₹)	Low (₹)	No. of shares traded
Apr-17	3.47	2.62	1,42,166
May-17	3.49	2.51	1,36,262
Jun-17	3.24	2.30	1,08,061
Jul-17	3.33	2.42	1,29,040
Aug-17	2.87	2.02	1,54,318
Sep-17	3.02	2.00	1,00,680
Oct-17	2.96	1.91	1,79,127
Nov-17	4.48	2.75	4,82,909
Dec-17	3.63	2.85	77,184
Jan-18	6.24	3.81	10,52,937
Feb-18	4.94	4.04	54,897
Mar-18	3.96	2.94	31,101

Source: www.bseindia.com

Share Price Performance in comparison to broad based indices :



Dematerialization of Shares :

Your Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dealing in Equity Shares of the Company in dematerialized form. Your Company has been allotted (ISIN No. INE 791B01014). Nearly 96.94% i.e. 54065422 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2018.

Share Transfer System:

Shares sent for transfer in physical form are registered and returned within a period of 15days from the date of receipt of the documents, provided the documents are valid and complete in all respect. The share transfer committee meets as and when required for approving the share transfers.

Outstanding gdr /adr /Convertible Bonds :

Nil.

Plant Location

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

Address for Correspondence

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

For and on behalf of the Board of Directors of
Lee & Nee Softwares (Exports) Ltd.

Ajay Kumar Agarwal — Director — (DIN : 01265141)

Arpita Gupta — Director — (DIN : 02839878)

Place : Kolkata
Dated : 26th July, 2018

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

In terms of Regulation 34(3) read with Schedule V(D) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members & Senior Management Personnel of the Company have affirmed compliance with the respective code of conduct as applicable to them for the year ended 31st March, 2018

Place: Kolkata
Date: 26th July, 2018

Ajay Kumar Agarwal
Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated 25th September, 2017
2. We, Jain Sonu & Associates, Chartered Accountants, the Statutory Auditors of Lee & Nee Softwares (Exports) Limited. ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 26th July, 2018

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
LEE & NEE SOFTWARES (EXPORTS) LIMITED
Kolkata

Dear Board Members,

We, Mahesh Gupta, Chief Executive Officer and Biswarup Maity, Chief Financial Officer certify that :

a. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March 2018 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b. To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year 2017-18 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit Committee steps have taken to rectify these deficiencies.

d. (i) There has not been any significant change in internal control over financial reporting during the year under reference.

   (ii) There has not been any significant change in accounting policies during the year under reference.

   (iii) We are not aware of any instance of fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board
LEE & NEE SOFTWARES (EXPORTS) LIMITED

Place: Kolkata
Date: 26th July, 2018

Mahesh Gupta
Chief Executive Officer

Biswarup Maity
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("the act") with the respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that :

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Audit and Auditors) amendment rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company does not have any pending litigations which would impact its financial position in its Standalone Ind AS Financial Statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 21st May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Lee & Nee Softwares (Exports) Ltd. as of March 31st, 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILTY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILTY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of Internal Financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the criteria for Internal Finacial Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 21st May, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE)

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The Companies does not have any immovable property; hence the provision is not applicable to the Company.

(ii) The Company does not hold any inventory during the year, hence Clause 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Accordingly, the provisions of Clauses 3(iii) (a) and (b) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, guarantees, security or made any investment which needs to comply with the section 185 and 186 of the Companies Act, 2013 during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public. Hence, Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

(vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Goods and Service 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 Goods and Service Tax, Service Tax, Income Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2018 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 Goods and Service Tax, Service Tax, Income Tax, Sales Tax, Custom Duty and Cess which has not been deposited on account of any dispute.

(viii) The Company has not taken any loans or borrowings from financial institution, banks and government or has not issued any debentures. Hence reporting under clause(viii) of the order is not applicable to the Company.

(ix) The Company has not raised any money by way of initial public offer, further public offer, debt instruments or term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given to us and based on our examination of the records of the Company, no director's remuneration has been paid or provided during the year. Accordingly, Clause 3(xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanation given to us, there are no contracts or arrangements with related parties referred to in section 177 and 188 of the Companies Act, 2013 during the year.

(xiv) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanation given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them. Accordingly, Clause 3 (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 21st May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

		NOTES	AS AT 31.03.2018 Amount (₹)	AS AT 31.03.2017 Amount (₹)	AS AT 01.04.2016 Amount (₹)
I	**ASSETS**				
	Non-Current Assets				
(a)	Property, Plant and Equipment	3	540,114	530,712	277,807
(b)	Goodwill	3	243,934,701	243,934,701	243,934,701
(c)	Intangible Assets	3	75,532	112,104	211,375
(d)	Financial Assets				
	i) Investments	4.1	61,141,803	60,638,908	59,047,758
	ii) Trade Receivables	4.2	8,316,493	8,316,493	9,047,513
	iii) Loans	4.3	18,937,793	19,636,197	20,270,553
	iv) Others Financial Assets	4.4	1,834,077	1,725,578	1,546,565
(e)	Other Non-Current Assets	5	51,623,898	48,573,088	47,818,540
			386,404,410	383,467,782	382,154,812
	Current Assets				
(a)	Financial Assets				
	i) Trade Receivables	6.1	1,631,821	1,435,960	140,390
	ii) Cash and Cash Equivalents	6.2	769,782	1,364,636	2,928,810
	iii) Loans	6.3	60,000	60,000	100,000
(b)	Other Current Assets	7	153,005,216	151,708,850	150,752,027
			155,466,819	154,569,446	153,921,227
	TOTAL ASSETS		**541,871,229**	**538,037,228**	**536,076,039**
II	**EQUITY AND LIABILITIES**				
	Equity				
(a)	Equity Share Capital	8	557,740,000	557,740,000	557,740,000
(b)	Other Equity	9	(23,345,501)	(24,612,571)	(25,361,245)
			534,394,499	**533,127,429**	**532,378,755**
	Liabilities				
	Non-Current Liabilities				
(a)	Financial Liabilities				
	i) Other Financial Liabilites	10	1,460,879	1,460,879	2,113,733
(b)	Deferred Tax Liabilities (net)		-	-	-
			1,460,879	**1,460,879**	**2,113,733**
	Current Liabilities				
(a)	Financial Liabilities				
	i) Trade Payables	11	3,908,528	1,885,006	754,519
(b)	Other Current Liabilities	12	1,684,946	1,382,524	787,946
(c)	Provisions	13	422,377	181,390	41,086
(d)	Current Tax Liabilities (Net)		-	-	-
			6,015,851	3,448,920	1,583,551
	TOTAL EQUITY AND LIABILITIES		**541,871,229**	**538,037,228**	**536,076,039**
	Summary of Significant Accounting Policies	2			

The accompanying notes are an integral part of the financial statements — 1 to 29

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Kolkata, 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		NOTE NO.	Year ended 31.03.2018 Amount (₹)	Year ended 01.04.2017 Amount (₹)
I	Revenue From Operations	14	25,690,562	22,756,511
II	Other Income	15	2,290,052	2,164,587
III	**Total Income (I + II)**		**27,980,614**	**24,921,097**
IV	**EXPENSES**			
	(a) Purchase (Software & Service)		1,372,660	2,166,241
	(b) Employee benefit expense	16	12,566,412	12,523,708
	(c) Depreciation and amortization expense	17	332,873	327,941
	(d) Other expenses	18	12,443,976	9,166,896
	Total Expenses		**26,715,921**	**24,184,786**
V	**Profit before tax (III - IV)**		**1,264,692**	**736,311**
VI	**Tax expense**			
	(a) Current tax		-	-
	(b) Deferred tax		-	-
	Total Tax Expense		**-**	**-**
VII	**Profit for the period (V - VI)**		**1,264,692**	**736,311**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to statement of profit and loss			
	(a) Changes in Fair Value of Equity Instruments through Other Comprehensive Income		2,378	12,363
	(b) Income tax relating to item (a) above		-	-
	Other comprehensive income (net of Tax)		**2,378**	**12,363**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,267,070**	**748,674**
X	**Earning per equity share**			
	(a) Basic		0.02	0.01
	(b) Diluted		0.02	0.01

Summary of significant accounting policies 2

The accompanying notes 1 to 29 are an integral part of the financial statements

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Sl No.	PARTICULARS		Year ended 31.03.2018 Amount (₹)	Year ended 31.03.2018 Amount (₹)	Year ended 31.03.2017 Amount (₹)	Year ended 31.03.2017 Amount (₹)
I.	**CASH FLOWS**					
1	From Operating Activities					
	(a) Net Profit / (Loss) before tax from Operating Activities			1,264,692		736,311
	Adjustments:					
	Depreciation and amortisation		332,873		327,941	
	Interest Income		(2,170,602)		(2,173,986)	
	Other Income		(119,449)	(1,957,178)	9,399	(1,836,646)
	Operating Profit/ (Loss) before working capital changes			(692,486)		(1,100,334)
	(b) Working Capital changes:					
	Decrease/ (Increase) in trade receivables		(195,861)		(564,550)	
	Decrease/ (Increase) in other current assets		(1,296,365)		(956,823)	
	Increase/ (Decrease) in Trade Payables		2,023,522		1,130,487	
	Increase/ (Decrease) in other current liabilities		302,422		594,578	
	Increase/ (Decrease) in provisions		240,987	1,074,705	140,304	343,996
	Cash generated from Operating Activities			382,219		(756,338)
	Income Taxes Paid			-		-
	Taxes relating to earlier year			-		-
	Net Cash from Operating Activiites	**Total of (1)**		**382,219**		**(756,338)**
2	From Investing Activities					
	Purchase of Fixed Aseets		(305,703)		(481,576)	
	Purchase/Sale of Investment		(500,517)		(1,578,788)	
	Decrease/(Increase) in loans		-		40,000	
	Decrease/(Increase) in non current loans		698,404		634,356	
	Decrease/(Increase) in other Financial Assets		(108,499)		(179,013)	
	Decrease/(Increase) in other non current loans		(3,050,810)		(754,548)	
	Decrease/(Increase) in other Financial Liabilities		-		(652,854)	
	Interest received		2,170,602		2,173,986	
	Other income		119,449		(9,399)	
	Net Cash from Investing Activiites	**Total of (2)**		**(977,072)**		**(807,836)**
3	From Financing Activities			-		-
		Total of (3)		-		-
II.	**Net (decrease)/increase in Cash and Bank Balances (I-II)**	**Total Cash flows (1+2+3)**		(594,854)		(1,564,175)
	Add: Cash and Bank Balances at the beginning of the period			1,364,636		2,928,810
III.	**Cash and Bank Balances at the end of the period (Refer Note 6.2)**			769,782		1,364,636

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

PARTICULARS	AMOUNT (₹)
As at 01 April 2016	**55,774,000**
Changes in equity share capital	-
As at 31 March 2017	**55,774,000**
Changes in equity share capital	-
As at 31 March 2018	**55,774,000**

B. OTHER EQUITY

PARTICULARS	RESERVES AND SURPLUS		TOTAL
	Capital Reserve	Retained Earnings	
Balance as at 01 April 2016	**10,000**	**(25,371,245)**	**(25,361,245)**
Profit for the year	-	736,311	736,311
Other comprehensive income	-	12,363	12,363
Balance as at 31 March 2017	**10,000**	**(24,622,571)**	**(24,612,571)**
Profit for the year	-	1,264,692	1,264,692
Other comprehensive income	-	2,378	2,378
Balance as at 31 March 2018	**10,000**	**(23,355,501)**	**(23,345,501)**

In terms of our report attached
For **Jain Sonu and Associates**
Chartered Accountants
Firm's Regn. Number: 324386E

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE - 1

Background

Lee & Nee Softwares (Exports) Ltd is a Company limited by shares, incorporated and domiciled in India. It is an IT-enabled service company based in the IT hub of Kolkata, India. With over 28 years of experience Lee & Nee Softwares (Exports) Ltd is engaged in business of developing , designing, manufacturing, processing, assembling, computer software & hardware products and allied products and providing **ERP solutions** and services for **website design and development,** mobile application development and **digital marketing** all over the globe.

The Company is listed on Bombay Stock Exchange Limited and Kolkata Stock Exchange Limited. The registered office of the Company is located at 14-B, Camac Street, Kolkata – 700 017, India.

These financial statements are approved by the Company's Board of Directors on 21st May 2018.

Basis of Preparation

a. General Information And Statement Of Compliance With Indian Accounting Standards

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Standalone financial statements up to the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ('Previous GAAP'). These financial statements are the first standalone financial statements of the Company under Ind AS. Note: 27 provides for an explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows. The Company has uniformly applied the accounting policies during the periods presented. Refer Note : 2(a).

Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except the financial assets (investments) & financial liabilities, if any which are measured at fair value. They are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.

Accounting estimates and judgments

Preparation of financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Refer Note : 2(b).

Details of critical estimates and judgments used which have a significant effect on the carrying amount of assets and liabilities, are provided in the following notes:

***Income tax*:**

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

***Useful life of property, plant and equipments*:**

Refer note 2 (d) for details

Measurement of defined benefit obligations:

The Company has recognized all forms of consideration given by it in exchange of service rendered by employees or for the termination of the employment. Further it has recognized a liability when any Employee has provided service in exchange of employee benefits to be paid in the future and an expense when the Company consumes the economic benefit arising from service provided by the employee in exchange for employee benefit.

The costs of providing post-employment benefits are charged to the standalone statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period. The same is disclosed in Note 16 and 23.

Impairment of assets:

Refer note 2 (d), (e) and (g) for details.

Estimation of provisions and contingencies:

Refer note 2 (i), 13 for details.

Recognition of deferred tax assets:

Refer note 2 (q) for details.

***Fair value measurements*:**

The Company presents all its assets and liabilities in the standalone balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

b. Recent Accounting Pronouncements:

Ministry of Corporate Affairs vide notification dated 28 March 2018, has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018. These amended rules are effective from 1 April 2018.

Ind AS 115, Revenue from contracts with customers (Ind AS 115)

With the notification, of Ind AS 115, Ind AS 18 - Revenue has been withdrawn from the financial year beginning 1 April 2018 onwards and consequential amendments have also been made in other standards.

Ind AS 115 promotes to create a single model for revenue recognition for contracts. It applies to most revenue arrangements. Among other things, it changes the criteria for determining whether revenue is recognized at a point in time or over time. It provides a new contract-based five-step revenue model for revenue recognition and measurement. Ind AS 115 provides more detailed guidance on specific topics where existing revenue standards Ind AS 18 are lacking such as multiple element arrangements, variable consideration, sale with a right to return, licensing arrangements etc. The Company is evaluating the requirements of the amendment and its impact on the financial statements. There will be hardly any impact on the financial statements of the Company.

Appendix B Foreign currency transactions and advance consideration to Ind AS 21

Appendix B is inserted to Ind AS 21 - The effects of changes in foreign exchange rates. This appendix addresses the issue of determining the date of transaction for initial recognition of a foreign currency transactions (or part of it) under Ind AS 21, when an entity recognises a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). It clarified that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration in foreign currency. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

NOTE - 2

Significant accounting policies

a. Method of Accounting: The Company follows the mercantile system of accounting and generally the accrual concept in preparing the accounts except dividend which is recorded on cash basis.

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

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

d. Property, Plant and Equipment:

Recognition and Initial measurement:

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably. All other repairs and maintenance expenses are charged to the standalone statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the standalone statement of profit and loss.

Subsequent measurement (depreciation and useful lives):

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. However, assets value up to Rs 5,000 are fully depreciated in the year of acquisition. Residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Balance Sheet date and any change in them is adjusted prospectively.

Category of asset	**Useful life**
Furniture and fixtures	10 years
Office equipments	3 - 5 years

De-recognition:

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the standalone statement of profit and loss, when the asset is de-recognized.

First-time adoption of Ind AS:

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment recognised as at 1 April 2016, as per the previous GAAP, and used the carrying amount as its deemed cost on the date of transition to Ind AS.

e. Impairment of non-financial assets:

Technical know - how fees / acquired computer software and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. Assessment for impairment is done at each Balance Sheet date when there is an indication that a non-financial asset may be impaired. For the purpose of assessing impairment, smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets/groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the standalone statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the standalone statement of profit and loss.

f. Investments in subsidiaries

Investment in subsidiary company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. On disposal of the investments, the difference between net disposal proceeds and the carrying amount is recognized in the standalone statement of profit and loss.

g. Financial instruments

Classification:

The Company classifies its financial assets in the following measurement categories depending on the Company's business model for managing such financial assets and contractual cash flow terms of the asset.

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the standalone statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Company re-classifies the debt investments when and only when there are a change in business model managing those assets.

Measurement:

At initial recognition, the Company measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the standalone statement of profit and loss as and when they are incurred.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

Amortized cost: Business model managing such asset has the objective to realize the contractual cash flows arising from the asset by holding such asset and the contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at amortized cost. A gain or loss on a financial asset subsequently measured at amortized cost is recognized in the consolidated statement of profit and loss when the asset is de-recognized or impaired.

Fair value through other comprehensive income (FVOCI): Business model managing such asset has the objective to collect the contractual cash flows arising from such asset and to sell the asset, where such contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at fair value through other comprehensive income (FVOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the consolidated statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to consolidated statement of profit and loss and recognized in other income.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in consolidated statement of profit and loss in the period in which it arises.

Equity instruments:

The Company classifies all its equity investments at fair value, apart from investments in subsidiary and Partnership firm. In case of equity instruments not held for trading, Company's management has made an irrevocable election to present fair value gains and losses on such equity instruments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to the standalone statement of profit and loss.

Investments in mutual funds:

Investments in mutual funds are measured at cost, as long term in nature and highly fluctuating.

Impairment:

Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 which requires loss allowance to be recognized at an amount equivalent to the lifetime expected credit losses from the initial recognition of such receivables irrespective of whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognized when:

i) Contractual right to receive cash flows from such financial asset expires;

ii) Company transfers the contractual right to receive cash flows from the financial asset; or

iii) Company retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

h. *Foreign currency transactions*

Functional currency and presentation currency:

The financial statements are presented in Indian Rupees (i.e., INR). Functional currency is the currency of the primary economic environment in which the Company operates.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the standalone statement of profit and loss.

i. *Provisions, contingent liabilities and contingent assets :*

Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. If the effect of time value of money is material i.e., the obligation is to be settled after a period of 12 months from the end of the reporting date, such provisions are discounted to reflect its present value using a pre-tax discounting rate that reflects the current market assessments of time value of money and risks specific to the obligation. When discounting is used, increase in the provision amount due to the passage of time is recognized as finance cost.

Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets:

Contingent assets are not recognized in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

j. *Employee benefits expense*

Defined contribution plans:

The Company provides defined contribution plan for post-employment benefits in the form of provident fund and Employee State insurance benefit scheme administered by Regional Provident Fund Commissioner and the ESI's authorities respectively. The Company's contributions to defined contribution plans are charged to the standalone statement of profit and loss as and when incurred. Provident Fund and ESI are classified as defined contribution plans as the Company has no further obligation beyond making the contributions, even if the assets of the fund is not enough to pay all the employee benefits.

Defined benefit plans:

Gratuity plan is classified as post retirement employee benefit and hence the current service cost is recognized in the standalone statement of profit and loss under "employee benefit expenses "on cash basis during the period in which it is incurred. Gratuity pursuant to IND AS-19 has not been provided; it will be accounted for in the year of payment since no material obligation has been recognized.

Termination benefits:

Termination benefits are recognized as an expense as and when incurred. The Company recognizes termination benefits at the earlier of the following dates:

i) when the Company can no longer withdraw the offer of those benefits; or

ii) when the Company recognizes a restructuring cost within the scope of Ind AS 37.

Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

k. Borrowings:

The Company has not borrowed any sums.

l. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. No borrowing cost appears in the stand alone financial statements of the Company.

m. Inventories:

Company does not have any inventory as such provisions of Ind AS 2 is not applicable.

n. Cash and Cash Equivalents:

Cash and cash equivalents comprise of cash at bank and on hand and short term investments (having maturity less than three months) which can be readily converted to fixed/determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents.

o. Assets held for sale:

Assets are classified as held for sale under current assets if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to be sold within one year from the balance sheet date. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

p. Leases:

The Company does not have any Lease agreement hence the provision to that effect is not applicable.

q. Income tax:

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that does not result from a business combination and at the time of such transaction, affects neither the accounting profit or loss nor taxable profit (tax loss) for the period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available against which those temporary differences/losses can be utilized. Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the standalone statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

r. Segment reporting:

Operating segments are identified in a manner consistent with the internal reporting presented to the chief operating decision maker (CODM).

The chief operating decision maker (CODM) is a function which regularly reviews the financial results of the operating segments for the purpose of assessing its performance and allocation of funds to such segments. The Company identifies its Managing Committee as the chief operating decision maker as per Ind AS 108. In view of the identical geographical location and the same product, i.e. ITES, there is hardly any need for separate segmental reporting.

s. Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed. There are no such events.

t. Earnings per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Company has no dilutive potential equity shares.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 3 - PROPERTY, PLANT & EQUIPMENT, GOODWILL & INTANGIBLE ASSETS

Amount (₹)

GROSS CARRYING AMOUNT	PROPERTY, PLANT AND EQUIPMENT			GOODWILL	INTANGIBLE ASSETS
	Buildings (Leasehold Premises)	Plant & Equipment	Furniture & Fixtures		(Computer Software)
Cost or valuation					
At 1 April 2016	6,187,500	4,089,951	409,667	243,934,701	1,478,612
Add : Additions	-	481,576	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
Less : Classified as held for sale	-	-	-	-	-
At 31 March 2017	**6,187,500**	**4,571,527**	**409,667**	**243,934,701**	**1,478,612**
Add : Additions	-	305,703	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
At 31 March 2018	**6,187,500**	**4,877,230**	**409,667**	**243,934,701**	**1,478,612**
Accumulated Depreciation / Amortization / Impairment					
At 1 April 2016	6,187,500	3,833,902	387,910	-	1,267,237
Depreciation charge for the year	-	225,664	3,006	-	99,271
Impairment charge for the year	-	-	-	-	-
At 31 March 2017	**6,187,500**	**4,059,566**	**390,916**	**-**	**1,366,508**
Depreciation charge for the year	-	295,680	621	-	36,572
Disposals	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-
At 31 March 2018	**6,187,500**	**4,355,245**	**391,537**	**-**	**1,403,080**
Net Book Value					
At 31 March 2018	-	521,985	18,130	243,934,701	75,532
At 31 March 2017	-	511,962	18,751	243,934,701	112,104
At 1 April 2016	-	256,050	21,757	243,934,701	211,375

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 4.1 INVESTMENTS

Particulars	Face Value (₹)	Numbers 31.03.2018	Numbers 31.03.2017	Numbers 01.04.2016	Amount (₹) 31.03.2018	Amount (₹) 31.03.2017	Amount (₹) 01.04.2016
Quoted, fully paid up:							
Investments in Equity Instruments							
Carried at Fair Value through OCI							
- Hindustan Construction Ltd.	1	100	100	100	2230	3950	1960
- Hindustan Motor Ltd.	5	100	100	100	705	913	513
- Century Extrusions Ltd.	1	200	200	200	954	1070	340
- ICICI Bank Ltd.	2	65	65	65	18096	18012	15376
- NTC Industries Ltd.	10	100	100	100	4235	3715	3015
Sub total of quoted investments in equity (A)					**26220**	**27660**	**21204**
Investments in Equity Debentures							
Carried at Fair Value through OCI							
- Finolex Pipe Ltd.	2	25	25	25	16733	12916	7009
Sub total of quoted investments in debentures	**(B)**				**16733**	**12916**	**7009**
Aggregate amount of quoted investments (A+B)					**42953**	**40575**	**28213**
Unquoted, fully paid up:							
Investments in Equity Instruments							
Measured at Cost							
- Enkay Texofood Ltd.		106	106	106	2120	2120	2120
- PCS Data Products Ltd.		50	50	50	1500	1500	1500
- Neena Consultants Ltd.		100	100	100	515	515	515
- Philips India Ltd.		100	100	100	8200	8200	8200
Investments in Equity Instruments in Subsidiaries							
Measured at Cost							
- Lensel Web Services (P) Ltd.	100	10000	10000	10000	3614700	3614700	3614700
- Rituraj Shares Broking (P) Ltd.	100	36200	36200	36200	29637851	29637851	29637851
Aggregate amount of unquoted investments					**33264886**	**33264886**	**33264886**
Quoted , fully paid up:							
Investments in Mutual Fund							
Measured at Cost							
- ICICI Prudential balanced Advantage Fund		26213.95	12525.33	-	800000	360000	-
- UTI Floating Rate Fund		28.44	208.60	-	79995	540000	-
- UTI Wealth Builder Fund		3578.58	-	-	120000	-	-
Aggregate amount of investment in Mutual Fund					**999995**	**900000**	**-**
NAV of the Mutual Fund					1066587	932599	-
Investments in Partnership Firm:							
- M. M. International					26833969	26433448	25754659
Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 4772808.14)							
Aggregate amount of investment in Partnership Firm					**26833969**	**26433448**	**25754659**
TOTAL					**61141803**	**60638908**	**59047758**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 4.2			
TRADE RECEIVABLES (Non Current)			
Unsecured, Considered Good	8,316,493	8,316,493	9,047,513
NOTE - 4.3			
LOANS (Non Current)			
Unsecured, Considered Good			
i) Security Deposit	261,785	261,785	261,785
ii) Other Loans (Interest accrued thereon)	18,676,008	19,374,412	20,008,768
	18,937,793	19,636,197	20,270,553
NOTE - 4.4			
OTHER FINANCIAL ASSETS (Non Current)			
Deposits with more than 12 months maturity	1,834,077	1,725,578	1,546,565
NOTE - 5			
OTHER NON CURRENT ASSETS			
Unsecured, Considered Good			
i) Deposits with Govt. and others	592,840	586,090	81,173
ii) MAT credit entitlement	778,221	537,234	396,930
iii) Other Advances *	50,252,837	47,449,764	47,340,437
	51,623,898	48,573,088	47,818,540

** Other Advances include loan to Subsidiary Company M/s Lensel Web Services Pvt. Ltd. of ₹ 46,252,837*

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 6.1			
TRADE RECEIVABLES (Current)			
Unsecured, Considered Good	1,631,821	1,435,960	140,390
NOTE - 6.2			
CASH AND CASH EQUIVALENTS			
i) Balance with Banks:			
- In Current Account	290,407	201,231	(249,210)
ii) Cash on Hand	479,375	1,163,405	3,178,020
	769,782	1,364,636	2,928,810

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 6.3			
LOANS (Current)			
Unsecured, Considered Good			
Security Deposit	60,000	60,000	100,000

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 7			
OTHER CURRENT ASSETS			
Unsecured, Considered Good			
i) Deposits with Govt. and others	3,331,055	2,053,405	1,052,690
ii) Employee Advances	15000	-	-
iii) Other Advances	149,659,160	149,655,446	149,699,337
	153,005,216	151,708,850	150,752,027

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 8			
EQUITY SHARE CAPITAL			
Authorised			
60,000,000 Equity Shares of Rs.10 each (Previous years : 60,000,000 Equity Shares)	600,000,000	600,000,000	600,000,000
Issued, Subscribed and Fully Paid			
55,774,000 Equity Shares of Rs.10 each (Previous years : 55,774,000 Equity Shares)	557,740,000	557,740,000	557,740,000

i) Movement in Equity Share Capital:

Particulars	No. of shares	Amount (₹)
Balance at April 1, 2016	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2017	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2018	55,774,000	557,740,000

ii) Terms / Rights attached to Equity Shares:

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.

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

Name of the Shareholder	As at March 31, 2018 No. of shares held	% of holding	As at March 31, 2017 No. of shares held	% of holding	As at April 1, 2016 No. of shares held	% of holding
Sunita Gupta	8573533	15.3719	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	5229418	9.3761	5029418	9.0175	4650880	8.3388
Rituraj Shares & Securities Ltd.	7353581	13.1846	7170581	12.8565	7677853	13.7660
Haresh Collections Pvt Ltd.	10269410	18.4125	9945281	17.8314	9945281	17.8314

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 9			
OTHER EQUITY			
i) Capital Reserve	10,000	10,000	10,000
ii) Retained Earnings	(23,355,501)	(24,622,571)	(25,371,245)
	(23,345,501)	(24,612,571)	(25,361,245)
i) Capital Reserve			
Opening balance	10,000	10,000	
Movement during the year	-	-	
Closing balance	10,000	10,000	
ii) Retained Earnings			
Opening balance	(24,622,571)	(25,371,245)	
Profit for the year	1,267,070	748,674	
Items of other comprehensive Income recognised directly in retained earnings	-	-	
Closing balance	(23,355,501)	(24,622,571)	
NOTE - 10			
OTHER FINANCIAL LIABILITIES (Non Current)			
Others	1,460,879	1,460,879	2,113,733
NOTE - 11			
TRADE PAYABLES (Current)			
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	3,908,528	1,885,006	754,519
	3,908,528	1,885,006	754,519
NOTE - 12			
OTHER CURRENT LIABILITIES			
i) Advances from customers	125,262	206,150	206,917
ii) Statutory Liabilities	608,281	94,104	26,974
iii) Employee benefits payable	951,403	1,082,270	554,055
	1,684,946	1,382,524	787,946
NOTE - 13			
PROVISIONS			
Provision for Income Tax	422,377	181,390	41,086

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)
NOTE - 14		
REVENUE FROM OPERATIONS		
Sale of Software Services (ITES)		
- Exports	8,550,954	8,320,951
- Domestic	17,139,607	14,435,560
	25,690,562	22,756,511
NOTE - 15		
OTHER INCOME		
i) Interest Income:		
- from others	2,044,330	2,032,710
- from Bank Deposits	126,272	141,276
iI) Other Non Operating Income:		
- Other Income (includes share of profit of M.M.Internation: ₹ 371.37)	119,449	(9,399)
	2,290,052	2,164,587
NOTE - 16		
EMPLOYEE BENEFITS EXPENSE		
Salary, wages & bonus	11,725,931	12,185,740
Contribution to Provident Fund & Other Funds	36,162	8,297
Staff welfare expenses	804,319	329,671
	12,566,412	12,523,708
NOTE - 17		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	296,301	228,670
Amortisation of intangible assets	36,572	99,271
	332,873	327,941

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)
NOTE - 18		
OTHER EXPENSES		
Power & Fuel	838,660	958,335
Maintenance Expense	261,405	258,516
Repairs & Maintenance		
- Others	297,270	38,848
Rates & taxes	18,278	17,814
Advertisement & Publicity	20,526	18,720
Annual Maintenance Charge	113,023	2,500
Business Promotion Expense	848,910	128,421
Legal Expenses	11,410	8,600
Consultancy Charges	716,715	1,029,719
Cost to Investment Expense	1,462	1,575
Communication Exp		
- Telephone Expense	336,795	489,310
- Bandwidth Charges	322,538	-
Bank Charges & Commission	14,377	23,911
Consumables	147,200	72,550
Customer Support	2,099,490	300,000
Software Development Exp.- Oracle	954,121	2,854,300
Travelling Expense	1,128,069	850,326
Contract for Software development	-	216,000
Paypal Charges	210,414	232,877
Penalty on Service Tax	1,725	1,400
Referral Fee Paid	2,138,450	-
Swachh Bharat Cess Exp	7,540	25,947
Director Sitting Fees	18,300	20,670
Other Expenses	922,779	444,790
Statutory Expenses		
- Postage for AGM	254,502	266,724
- Printing & Stationery AGM	240,000	385,000
- Share Transfer Fees	39,103	51,143
- Other Statutory Expenses	437,914	451,900
Payment to Auditors		
To Statutory Auditor		
- Statutory Audit Fee	15,000	15,000
To others		
- VAT Audit Fee	2,000	2,000
- Certification and taxation matters	26,000	-
	12,443,976	9,166,896

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

19. **Deferred Taxes :**

Current Tax and Deferred Tax has not been recognized due to brought forward losses.

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

20. Based on the information available with the Company, there are no party who falls under the provisions of Micro and Small Enterprises as per MSMED Act, 2006 and accordingly the disclosure is not applicable.

21. The Company's business activity falls within a single primary business segment i.e. Software business and therefore, the disclosure requirement of "Segment Reporting" is not applicable.

22. EarningsPer Share (EPS)

Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Net profit attributable to equity shareholders (₹)	1,264,692	736,311
Weighted average number of equity shares outstanding during the year (nos)	55774000	55774000
Face value per share (₹)	10	10
Earnings per share (₹)		
- Basic earnings per equity share	0.02	0.01
- Diluted earnings per equity share	0.02	0.01

23. **Disclosure in accordance with Ind AS-19 on employee benefits expense**

Post-employment benefits plan:

Retirement benefit plans of the Company comprising of gratuity, superannuation and provident fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits include compensated absences subject to certain limits and rules.

Defined contribution plans :

The provident fund and superannuation fund has been classified as defined contribution plan as the Company has an obligation to pay a fixed amount to the government administered fund and has to further obligation if the assets of such funds are not enough to meet all the employee obligations provided under such plans.

Defined benefit plans:

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Gratuity as per AS-15 has not been provided; it will be accounted for in the year of payment since no material obligation has been recognized.

Other long-term employee benefits :

The Company provides for encashment of accumulated leaves standing at the credit of its employees at the time of their exit by way of retirement (on superannuation or otherwise), death or disability, subject to certain limits and rules framed by the Company and it will be accounted for in the year of payment since no material obligation has been recognized.

Termination benefit:

Termination benefits are employee benefits provided exchange for the termination of an employee's employment as a result of either:

a) The Company's decision to terminate an employees employment before the normal retirement date; or
b) An employee's decision to accept an offer of benefits in exchange for the termination of employment. The Company shall recognize a liability and expense for termination benefits on payment basis in the year of payments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

24. **Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2018.

Name of the related parties and related party relationships

i) Related Party where control exists

Subsidiary

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

ii) Key management personnel

Name Of The Person	Designation
Ajay Kumar Agarwal	Executive Director
Sagar Mal Gupta	Promoter Director
Arpita Gupta	Non-Executive Director
Vikash Kamani	Independent Director
Sushil Kumar Gupta	Independent Director
Leela Murjani	Independent Director
Mahesh Gupta	Chief Executive Officer
Dipak Patra	Chief Financial Officer (upto 10-07-2017)
Biswarup Maity	Chief Financial Officer (w.e.f 21-07-2017)
Pritika Gupta	Company Secretary

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

S M Gupta & Co.

Leena Consultancy

Rituraj Shares & Securities Ltd.

Rituraj Shares & Securities

iv) Transactions with related parties

Payment To Key Managerial Personnel

		Year ended 31 March 2018 (₹)	Year ended 31 March 2017 (₹)
Sushil Kumar Gupta	Director Sitting Fees	10,000/-	8,000/-
Leela Murjani	Director Sitting Fees	8,000/-	10,000/-
Pritika Gupta	Salary	1,86,011/-	1,86,000/-
Biswarup Maity	Salary	1,96,398/-	-

v) Balances with related parties:

Particulars	As at 31st March 2018 (₹)	As at 31st March 2017 (₹)	As at 1st April 2016 (₹)
Loan to wholly owned subsidiary :			
Lensel Web Services Pvt. Ltd.	46,252,837/-	43,449,764/-	43,340,437/-
Trade Receivables :			
Leena Consultancy	46,83,212/-	46,83,212/-	46,83,212/-
Rituraj Shares & Securities Ltd.	-	-	7,31,020/-
Rituraj Shares & Securities	34,62,886/-	34,62,886/-	34,62,886/-
Trade Liability :			
S M Gupta & Co	-	-	5,96,322/-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

25. **Fair value measurement:**

A. Category wise classification of financial instruments

Particulars	As at 31st March 2018 (₹)	As at 31st March 2017 (₹)	As at 1st April 2016 (₹)
a. Financial assets			
i. Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments (refer note (i) below)	42,953/-	40,575/-	28,213/-
ii. Carried at cost			
Trade Receivable	99,48,314/-	97,52,453/-	91,87,903/-
Loans	18,997,793/-	19,696,197/-	20,370,553/-
Others	18,34,077/-	17,25,578/-	15,46,565/-
Cash and Cash Equivalents	7,69,782/-	13,64,636/-	29,28,810/-
iii. Measured at Cost			
Investments in Unquoted Equity Instruments	12,335/-	12,335/-	12,335/-
Investment in Equity Shares of - Subsidiary Company	33,252,551/-	33,252,551/-	33,252,551/-
Investment in Mutual Fund	9,99,995/-	9,00,000/-	-
Investment in Partnership Firm	26,833,969/-	26,433,448/-	25,754,659/-
Total Financial Assets	**92,691,769/-**	**93,177,773/-**	**93,081,589/-**
b. Financial Liabilities			
Measured at Amorized Cost			
Trade Payables	39,08,528/-	18,85,006/-	7,54,519/-
Other Financial Liabilities	14,60,879/-	14,60,879/-	21,13,733/-
Total Financial Liabilities	**53,69,407/-**	**33,45,885/-**	**28,68,252/-**

Notes:

i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Company has chosen to measure these investments in quoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the standalone statement of profit and loss may not be indicative of the performance of the Company.

ii) The management assessed that the fair value of cash and cash equivalents, loans, Trade receivables, other advance, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

B. Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The Categories used are as follows:

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- Level 1: Quoted prices (Unadjusted) in active markets for financial instruments.
- Level 2: The fair value for financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

For Assets and Liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

Particulars	**Level 1**	**Level 2**	**Level 3**
As at 31st March, 2018			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	42,953/-	-	-
As at 31st March, 2017			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	40,575/-	-	-
As at 1st April, 2016			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	28,213/-	-	-

C. Computation of Fair Values

Investments in equity instruments represents long term strategic investments made in certain listed or unlisted companies. For listed companies, fair value is based on quoted market prices of such instruments as on the balance sheet date on the recognised stock exchange (where traded volume is more during last six months).

D. Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, loans, trade receivables, other advance, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

26. Financial risk management

Company's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of it's Board of Directors.

a. Credit risk:

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

i) Trade receivables

Customer credit risks is managed by each business unit in accordance with the credit policy, procedures and controls relating to credit risk management. Credit quality of each individual customer is assessed based on financial positions, past trends, market reputation, prevailing market and economic conditions, expected business and anticipated regulatory changes. Based on this evaluation, credit limit and credit terms are decided for each individual customer. Exposure to customer credit risk is regularly monitored through credit locks and release. The Company has a low concentration of risk in respect of trade receivables since its customers are widely spread and operates in diversified industries and varying market conditions. Export customers are secured through letter of credit and generally not subject to credit risks.

Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Maximum exposure to credit risks at the reporting date is disclosed in Note 4.2 & 6.1. Company does not hold any collateral in respect of such receivables.

ii) Other financial instruments

Credit risks from other financial instruments include mainly cash and cash equivalents and deposits with banks. Such risk is managed by the Board of Directors of the Company in accordance with Company's overall investment policy approved by its Board of Directors. The investments are reviewed by the Board of Directors on a quarterly basis.

The Company has no exposure to credit risk relating to its cash and cash equivalents. Credit risk for other financial instruments are monitored by the Board of Directors in accordance with its overall risk management policies. Impairment of such assets is computed per expected credit loss model (general approach) assessed on the basis of financial position, detailed analysis and expected business of the counterparty to such financial assets.

b. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks comprises of three types - currency risk, cyber security risk, concentration risk, competition risk, regulatory risk and other price risk, such as equity price risk. Financial Instruments affected by market risks include investments in mutual funds or equity instruments.

i) **Currency risk** – The Company has made a well defined currency hedging Policy which helps in controlling risk arisen from currency fluctuations and volatility.

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

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

iv) **Competition Risk**- The ever –increasing competition poses a key risk in terms of acquiring client business as well as human talent. Lee & Nee Softwares (Exports) Ltd. has enhanced their value in the proposition of its customers by way of deepening its domain expertise, technological capabilities and customer engagement, on the human capital front, Lee & Nee Softwares (Exports) Ltd. Brand equity and best in class HR principles and practices has made it a preferred employer.

v) **Regulatory Risk**- Legislation in various countries in which we operate including the US & UK , Australia may place restrictions on companies in those countries from outsourcing work to us, or may enact stricter immigration laws or may limit our ability to send our employees to certain client sites. A team of professionals has been employed within and outside the Company. The Company has working on mitigating this on a continuous basis.

vi) **Price risk -** Price risk is the risk that the fair value or future cash flows will fluctuate due to change in market prices. The Company is exposed to price risk arising from its Invetments and Equity Instruments. The Company's manages such risk in accordance with its overall risk management policy approved by the Board of Directors.

c. Liquidity risk:

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations associated with its financial liabilities. The Board of Director of the Company manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Company plans to meet the contractual obligations from its internal accruals. Additionally, surplus funds generated from operations are parked in short term debt or liquid mutual funds and bank deposits which can be readily liquidated when required.

d. Capital Management:

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

27. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act(previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its Property, Plant & Equipment and Intangible Assets at their previous GAAP carrying value.

(ii) Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016

B. Ind AS mandatory exceptions

(i) Derecognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition. Alternatively such first time adopter can apply such de-recognition provisions retrospectively

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

from a date of Company's choice, if adequate information required to apply Ind AS 109 to financial assets and liabilities de-recognized previous to the date of transition was initially available at the time of such transactions. The Company has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition.

(ii) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind As shall be consistent with the estimates made for the same date in accordance with previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(iii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2017 and 1 April 2016)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Effect of Ind AS adoption on Total equity :

Particulars	Foot Notes	As at 31st March 2017 (₹)	As at 1st April 2016 (₹)
Equity as per previous GAAP		533,093,575/-	532,357,263/-
Adjustments :			
- Effect of Measuring Non Current Investments at fair value	1	33,854/-	21,492/-
Total Equity as per Ind AS		533,127,429/-	532,378,755/-

(ii) Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Foot Notes	As at 31st March 2017 (₹)
Profit after tax as per previous GAAP		7,36,311/-
Profit after tax as per Ind AS		7,36,311/-
Other Comprehensive Income :		
Changes in Fair Value of Equity Instruments	1	12,363/-
Total Comprehensive Income as per Ind AS		7,48,674/-

(iii) Effect of Ind AS adoption on the Standalone Statement of Cash flow for the year ended 31st, March 2017

Particulars	Previous GAAP	Ind AS Adjustments	Ind AS
Net Cash generated from operating activities (1)	(7,56,338/-)	-	(7,56,338/-)
Net Cash Generated from investing activities (2)	(6,28,823/-)	1,79,013/-	(8,07,836/-)
Net Cash Used in Financing Activities (3)	-	-	-
Net (decrease)/increase in Cash and Cash Equivalent	(13,85,161/-)	1,79,013/-	(15,64,175/-)
Cash and Cash Equivalents as on 1st April, 2016	44,75,375/-	15,46,565/-	29,28,810/-
Cash and Cash Equivalents as on 31st March, 2017	30,90,214/-	17,25,579/-	13,64,635/-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(iv) Foot Notes to First time Adoption

1. Under the previous Indian GAAP investments are classified into current and non-current based on the intended holding period and realisability . Investments in non-current equity instruments for measured at cost less provision for decline (other than temporary decline) in the value of such investments at each balance sheet date.

   Under Ind AS, these investments are required to be measured at fair value. Non – current equity instruments has been designated at fair value through other comprehensive income (FVTOCI) and changes in its fair value as on the transition date is accounted in equity instrument through OCI with an equivalent change in investment value. Subsequent change in fair value for the year ended 31st March 2017 is accounted under OCI.

2. Deferred tax :

   Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. It requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base.

3. Remeasurements of post-employment benefit obligations :

   Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets , excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2017. The Company has accounted for the above expense on cash basis and will recognize the liability in year of payment.

4. Other equity :

   Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

5. Other Comprehensive Income :

   Under Ind AS, all items of income and expense recognized in a period should be included in the profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit or loss as 'other comprehensive income' includes Changes in Fair Value of Equity Instruments. The concept of 'other comprehensive income' did not exist under previous GAAP.

6. Cash flow from financing activities :

   Other bank balances (disclosed under Note 4.4) are not considered as part of cash and cash equivalents under Ind AS.

28. **Assets pledged as security**

The carrying amounts of assets i.e fixed deposits with Indusind bank amounting to Rs. 15,39,000.00 pledged as security for procurement of a bank Gurantee amounting to Rs.15,39,000.00 in favor of Oracle India Private Limited, Gurgaon, Haryana.

29. The previous GAAP figures has been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD.(hereinafter referred to as the 'Holding Company') and its subsidiaries Lensel Web Services Private Limited and Rituraj Share Broking Pvt Ltd (the Holding and its Subsidiaries together referred to as 'Group') which comprising of Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), Consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the group in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in confirmity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements.

d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary Companies, none of the directors of the Group Companies incorporated in India are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's report of the Based Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i) The Group Company does not have any pending litigations which would impact its financial position in its Consolidated Ind AS Financial Statements.

   ii) The Group Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) The Group Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 21st May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(REFFERED TO IN PARAGRAPH 1(f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD.(hereinafter referred to as the 'Holding Company') and its subsidiaries Lensel Web Services Private Limited and Rituraj Share Broking Pvt Ltd (the Holding and its Subsidiaries together referred to as 'Group') as at and for the year ended 31st March, 2018, we have audited the internal financial control over financial reporting of the Holding Company, its subsidiary company which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILTY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding company, and its subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILTY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary companies, as aforesaid, based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of Internal Financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanation given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at,31st March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sonu Jain
Partner
Membership No.:060015

Place: Kolkata
Date: 21st May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

		NOTES	AS AT 31.03.2018 Amount (₹)	AS AT 31.03.2017 Amount (₹)	AS AT 01.04.2016 Amount (₹)
I	**ASSETS**				
	Non-Current Assets				
	(a) Property, Plant and Equipment	3	873,509	904,082	622,037
	(b) Goodwill	3	243,934,701	243,934,701	243,934,701
	(c) Intangible Assets	3	75,532	112,104	211,375
	(d) Financial Assets				
	i) Investments	4.1	33,150,487	32,648,351	29,347,481
	ii) Trade Receivables	4.2	29,947,202	30,046,776	30,985,453
	iii) Loans	4.3	30,288,065	30,229,938	29,777,463
	iv) Others Financial Assets	4.4	1,834,077	1,725,578	1,546,565
	(e) Other Non-Current Assets	5	91,854,478	89,057,370	89,933,558
			431,962,763	428,658,901	426,358,634
	Current Assets				
	(a) Financial Assets				
	i) Investments	6.1	15,185,299	13,198,921	1,043,345
	ii) Trade Receivables	6.2	1,774,913	1,989,862	193,435
	iii) Cash and Cash Equivalents	6.3	2,999,826	3,064,265	16,963,073
	iv) Loans	6.4	60,000	60,000	100,000
	(b) Other Current Assets	7	153,535,811	152,182,264	150,948,365
			173,555,850	170,495,312	169,248,218
	TOTAL ASSETS		**605,513,900**	**599,154,212**	**595,606,852**
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	8	557,740,000	557,740,000	557,740,000
	(b) Other Equity	9	(7,725,369)	(9,518,192)	(10,795,377)
			550,014,631	**548,221,808**	**546,944,623**
	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	i) Other Financial Liabilites	10	1,460,879	1,478,879	2,131,733
	(b) Other Non-Current Liabilites	11	46,304,116	43,678,696	43,435,828
	(c) Deferred Tax Liabilities (net)		-	-	-
			47,764,995	**45,157,575**	**45,567,561**
	Current Liabilities				
	(a) Financial Liabilities				
	i) Trade Payables	12	4,879,401	3,011,328	1,006,191
	(b) Other Current Liabilities	13	2,314,947	2,479,485	2,011,068
	(c) Provisions	14	539,925	284,016	77,408
	(d) Current Tax Liabilities (Net)		-	-	-
			7,734,274	5,774,828	3,094,667
	TOTAL EQUITY AND LIABILITIES		**605,513,900**	**599,154,212**	**595,606,852**
	Summary of Significant Accounting Policies	2			
	The accompanying notes are an integral part of the financial statements	1 to 30			

In terms of our report attached
For **Jain Sonu and Associates**
Chartered Accountants
Firm's Regn. Number: 324386E

Sonu Jain
Partner
Membership No.: 060015

Kolkata, 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

		NOTE NO.	Year ended 31.03.2018 Amount (₹)	Year ended 01.04.2017 Amount (₹)
I	Revenue From Operations	15	35,444,149	31,399,718
II	Other Income	16	3,889,400	3,623,339
III	**Total Revenue (I + II)**		**39,333,549**	**35,023,057**
IV	**EXPENSES**			
	(a) Purchase (Software & Service)		2,240,374	2,728,272
	(b) Employee benefit expense	17	17,004,722	17,345,506
	(c) Depreciation and amortization expense	18	372,848	352,507
	(d) Other expenses	19	17,892,816	13,506,313
	Total Expenses		**37,510,761**	**33,932,598**
V	**Profit before tax (III - IV)**		**1,822,789**	**1,090,459**
VI	**Tax expense**			
	(a) Current tax		-	65,284
	(b) Deferred tax		-	-
	Total Tax Expense		**-**	**65,284**
VII	**Profit for the period (V - VI)**		**1,822,789**	**1,025,175**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to statement of profit and loss			
	(a) Changes in Fair Value of Equity Instruments through other Comprehensive Income		(29,966)	252,010
	(b) Income tax relating to item (a) above		-	-
	Other comprehensive income (net of Tax)		**(29,966)**	**252,010**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,792,823**	**1,277,185**
X	**Earning per equity share**			
	(a) Basic		0.03	0.02
	(b) Diluted		0.03	0.02

Summary of significant accounting policies 2

The accompanying notes 1 to 30 are an integral part of the financial statements

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

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Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Sl No.	PARTICULARS		Year ended 31.03.2018 Amount (₹)	Amount (₹)	Year ended 31.03.2017 Amount (₹)	Amount (₹)
I.	**CASH FLOWS**					
1	From Operating Activities					
	(a) Net Profit / (Loss) before tax from Operating Activities			1,822,789		1,090,459
	Adjustments:					
	Depreciation and amortisation		372,848		352,507	
	Interest Income		(3,477,901)		(3,626,738)	
	Other Income		(411,499)	(3,516,552)	3,399	(3,270,832)
	Operating Profit/ (Loss) before working capital changes			(1,693,763)		(2,180,373)
	(b) Working Capital changes:					
	Decrease/ (Increase) in trade receivables		314,523		(857,750)	
	Decrease/ (Increase) in other current assets		(1,353,547)		(1,233,899)	
	Increase/ (Decrease) in Trade Payables		1,868,073		2,005,136	
	Increase/ (Decrease) in other current liabilities		(164,538)		468,417	
	Increase/ (Decrease) in provisions		255,909	920,422	206,608	588,512
	Cash generated from Operating Activities			(773,342)		(1,591,861)
	Income Taxes Paid			-		(65,284)
	Taxes relating to earlier year			-		-
	Net Cash from Operating Activiites	**Total of (1)**		**(773,342)**		**(1,657,145)**
2	From Investing Activities					
	Purchase of Fixed Aseets		(305,703)		(535,281)	
	Purchase/Sale of Investment		(2,518,480)		(15,204,436)	
	Decrease/(Increase) in current loans		(58,127)		(412,475)	
	Decrease/(Increase) in non current loans		-		-	
	Decrease/(Increase) in other Financial Assets		(108,499)		(179,013)	
	Decrease/(Increase) in other non current loans		(2,797,108)		876,188	
	Decrease/(Increase) in other Financial Liabilities		(18,000)		(652,854)	
	Decrease/(Increase) in other non current liabilities		2,625,420		242,868	
	Interest received		3,477,901		3,626,738	
	Other income		411,499		(3,399)	
	Net Cash from Investing Activiites	**Total of (2)**		**(708,904)**		**(12,241,664)**
3	From Financing Activities			-		-
		Total of (3)		-		-
II.	**Net (decrease)/increase in Cash and Bank Balances (I-II)**	**Total Cash flows (1+2+3)**		(64,438)		(13,898,809)
	Add: Cash and Bank Balances at the beginning of the period			3,064,264		16,963,073
III.	**Cash and Bank Balances at the end of the period (Refer Note 6.3)**			2,999,826		3,064,264

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. EQUITY SHARE CAPITAL

PARTICULARS	AMOUNT (₹)
As at 01 April 2016	**55,774,000**
Changes in equity share capital	-
As at 31 March 2017	**55,774,000**
Changes in equity share capital	-
As at 31 March 2018	**55,774,000**

B. OTHER EQUITY

PARTICULARS	RESERVES AND SURPLUS		TOTAL
	Capital Reserve (₹)	Retained Earnings (₹)	(₹)
Balance as at 01 April 2016	**13,582,487**	**(24,377,864)**	**(10,795,377)**
Profit for the year	-	1,025,175	1,025,175
Other comprehensive income	-	252,010	252,010
Balance as at 31 March 2017	**13,582,487**	**(23,100,679)**	**(9,518,192)**
Profit for the year	-	1,822,789	1,822,789
Other comprehensive income	-	(29,966)	(29,966)
Balance as at 31 March 2018	**13,582,487**	**(21,307,856)**	**(7,725,369)**

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE - 1

Background

The Consolidated Financial Statements comprise financial statements of Lee & Nee Softwares (Exports) Ltd. ("the Holding Company") and its Subsidiaries (collectively referred to "the Group") for the year ended 31 March 2018.

The Holding Company is listed on Bombay Stock Exchange Limited and Kolkata Stock Exchange Limited. The registered office of the Company is located at 14-B, Camac Street, Kolkata – 700 017, India.

The list of Subsidiary Companies considered in the Consolidated Financial Statements is as follows:

Name of the Subsidiary Companies	Country of Incorporation	Financial year ended	Holding Company's Interest
Rituraj Shares Broking Pvt. Ltd	India	31.03.2018	100.00%
Lensel Web Services Pvt. Ltd.	India	31.03.2018	100.00%

The Company is listed on Bombay Stock Exchange Limited and Kolkata Stock Exchange Limited. The registered office of the Company is located at 14-B, Camac Street, Kolkata – 700 017, India.

These financial statements are approved by the Company's Board of Directors on 21st May 2018.

Basis of Preparation

a. General Information And Statement Of Compliance With Indian Accounting Standards

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. These financial statements are the first consolidated financial statements of the Group under Ind AS.

Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except the financial assets (investments) & financial liabilities, if any which are measured at fair value. They are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.

Accounting estimates and judgments

Preparation of consolidated financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Refer Note : 2(b).

Details of critical estimates and judgments used which have a significant effect on the carrying amount of assets and liabilities, are provided in the following notes:

***Income tax*:**

The Holding Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

***Useful life of property, plant and equipments*:**

Refer note 2 (d) for details.

Measurement of defined benefit obligations:

The Group has recognized all forms of consideration given by it in exchange of service rendered by employees or for the termination of the employment. Further it has recognized a liability when any Employee has provided service in exchange of employee benefits to be paid in the future and an expense when the Company consumes the economic benefit arising from service provided by the employee in exchange for employee benefit.

The costs of providing post-employment benefits are charged to the Consolidated statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period. The same is disclosed in Note 17 and 24.

Impairment of assets:

Refer note 2 (d), (e) and (f) for details.

Estimation of provisions and contingencies:

Refer note 2 (h), 14 for details.

Recognition of deferred tax assets:

Refer note 2 (p) for details.

***Fair value measurements*:**

The Group presents all its assets and liabilities in the consolidated balance sheet based on current or non-current classification. Assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

b. Recent Accounting Pronouncements:

Ministry of Corporate Affairs vide notification dated 28 March 2018, has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018. These amended rules are effective from 1 April 2018.

Ind AS 115, Revenue from contracts with customers (Ind AS 115)

With the notification, of Ind AS 115, Ind AS 18 - Revenue has been withdrawn from the financial year beginning 1 April 2018 onwards and consequential amendments have also been made in other standards.

Ind AS 115 promotes to create a single model for revenue recognition for contracts. It applies to most revenue arrangements. Among other things, it changes the criteria for determining whether revenue is recognized at a point in time or over time. It provides a new contract-based five-step revenue model for revenue recognition and measurement. Ind AS 115 provides more detailed guidance on specific topics where existing revenue standards (Ind AS 18) are lacking such as multiple element arrangements, variable consideration, sale with a right to return, licensing arrangements etc. The Company is evaluating the requirements of the amendment and its impact on the financial statements. There will be hardly any impact on the financial statements of the Group.

Appendix B Foreign currency transactions and advance consideration to Ind AS 21

Appendix B is inserted to Ind AS 21 - The effects of changes in foreign exchange rates. This appendix addresses the issue of determining the date of transaction for initial recognition of a foreign currency transactions (or part of it) under Ind AS 21, when an entity recognises a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). It clarified that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration in foreign currency. The Group is evaluating the requirements of the amendment and its impact on the financial statements.

c. Basis of Consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- Power over the investee.
- Is exposed or has rights to variable returns from its involvement with the investee.
- Has the ability to use it's power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Holding Company's voting rights and potential voting rights.
- The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Holding Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of the subsidiary company used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the Holding is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding to enable the Holding to consolidate the financial information of the subsidiary, unless it is impracticable to do so. However the two subsidiaries are wholly owned by the Holding Company and the reporting date in all the cases are same.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE - 2

Significant accounting policies

a. ***Method of Accounting:*** The Group follows the mercantile system of accounting and generally the accrual concept in preparing the accounts except dividend which is recorded on cash basis.

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

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

d. ***Property, Plant and Equipment:***

Recognition and Initial measurement:

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are added in the asset's carrying amount/recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of such item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit and loss in the period in which they are incurred. Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the consolidated statement of profit and loss.

Subsequent measurement (depreciation and useful lives):

Depreciation is provided on a pro-rata basis on the written down value (WDV) method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. However, assets value up to Rs 5,000 are fully depreciated in the year of acquisition. Residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Balance Sheet date and any change in them is adjusted prospectively.

Category of asset	**Useful life**
Furniture and fixtures	10 years
Office equipments	3 - 5 years
Buildings	60 years

De-recognition:

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit and loss, when the asset is de-recognized.

e. ***Impairment of non-financial assets:***

Technical know - how fees / acquired computer software and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. Assessment for impairment is done at each Balance Sheet date when there is an indication that a non-financial asset may be impaired. For the purpose of assessing impairment, smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets/groups of assets is considered as a cash generating unit. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the consolidated statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the consolidated statement of profit and loss.

f. Financial instruments

Classification:

The Group classifies its financial assets in the following measurement categories depending on the Group's business model for managing such financial assets and the contractual cash flow terms of the asset.

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(ii) those subsequently measured at amortized cost.

For assets measured at fair value, gains or losses are either recorded in the consolidated statement of profit and loss or other comprehensive income. Investments in debt instruments are classified depending on the business model managing such investments. The Group re-classifies the debt investments when and only when there are a change in business model managing those assets.

Measurement:

At initial recognition, the Group measures a financial asset (other than those carried at fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit and loss as and when they are incurred.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model managing such debt instruments and the contractual cash flow characteristics of the instrument. There are three measurement categories into which the debt instruments are classified:

(i) Amortized cost: Business model managing such asset has the objective to realize the contractual cash flows arising from the asset by holding such asset and the contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at amortized cost. A gain or loss on a financial asset subsequently measured at amortized cost is recognized in the consolidated statement of profit and loss when the asset is de-recognized or impaired.

(ii) Fair value through other comprehensive income (FVOCI): Business model managing such asset has the objective to collect the contractual cash flows arising from such asset and to sell the asset, where such contractual cash flows represent solely payments of principal and interest on the outstanding amount of principal, measured at fair value through other comprehensive income (FVOCI). Changes in fair value of such instruments are recognized through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in the consolidated statement of profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to consolidated statement of profit and loss and recognized in other income.

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in consolidated statement of profit and loss in the period in which it arises.

Equity instruments:

The Group classifies all its equity investments at fair value, apart from investments in subsidiary and Partnership firm. In case of equity instruments not held for trading, Group's management has made an irrevocable election to present fair value gains and losses on such equity instruments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit and loss.

Investments in mutual funds:

Investments in mutual funds are measured at cost, as highly fluctuating.

Impairment:

Impairment methodology applied depends on whether there has been a significant increase in credit risk and the loss amount assessed depends upon past events, present conditions and future economic scenario.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 which requires loss allowance to be recognized at an amount equivalent to the lifetime expected credit losses from the initial recognition of such receivables irrespective of whether there has been a significant increase in credit risk.

De-recognition:

A financial asset is de-recognized when:

i) Contractual right to receive cash flows from such financial asset expires;

ii) Group transfers the contractual right to receive cash flows from the financial asset; or

iii) Group retains the right to receive the contractual cash flows from the financial asset, but assumes a contractual obligation to pay such cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards associated with the ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

g. Foreign currency transactions

Functional currency and presentation currency:

The consolidated financial statements are presented in Indian Rupees (i.e., INR). Functional currency is the currency of the primary economic environment in which the Company operates.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the exchange rates prevailing on the balance sheet dates are recognized in the consolidated statement of profit and loss.

h. Provisions, contingent liabilities and contingent assets :

Provisions:

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of such obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. If the effect of time value of money is material i.e., the obligation is to be settled after a period of 12 months from the end of the reporting date, such provisions are discounted to reflect its present value using a pre-tax discounting rate that reflects the current market assessments of time value of money and risks specific to the obligation. When discounting is used, increase in the provision amount due to the passage of time is recognized as finance cost.

Contingent liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets:

Contingent assets are not recognized in the financial statement. However when there is a virtual certainty that an inflow of resources embodying economic benefits will arise from the contingent asset, such asset and the related income is recognized in the period in which the changes occurred.

i. Employee benefits expense

Defined contribution plans:

The Group provides defined contribution plan for post-employment benefits in the form of provident fund and Employee State insurance benefit scheme administered by Regional Provident Fund Commissioner and the ESI's authorities respectively. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when incurred. Provident Fund and ESI are classified as defined contribution plans as the Group has no further obligation beyond making the contributions, even if the assets of the fund is not enough to pay all the employee benefits.

Defined benefit plans:

Gratuity plan is classified as post retirement employee benefit and hence the current service cost is recognized in the consolidated statement of profit and loss under "employee benefit expenses "on cash basis during the period in which it is incurred. Gratuity pursuant to IND AS-19 has not been provided; it will be accounted for in the year of payment since no material obligation has been recognized.

Termination benefits:

Termination benefits are recognized as an expense as and when incurred. The Group recognizes termination benefits at the earlier of the following dates:

i) when the Group can no longer withdraw the offer of those benefits; or

ii) when the Group recognizes a restructuring cost within the scope of Ind AS 37.

Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

j. Borrowings:

The Company has not borrowed any sums.

k. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get itself ready for the intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. No borrowing cost appears in the consolidated financial statements of the Group.

l. Inventories:

Group does not have any inventory as such provisions of Ind AS 2 is not applicable.

m. Cash and Cash Equivalents:

Cash and cash equivalents comprise of cash at bank and on hand and demand deposits with banks. The Group considers its highly liquid, short term investments (having maturity less than three months) which can be readily converted to fixed/ determinable amount of money and subject to insignificant risks arising from changes in their fair values, as cash equivalents.

n. Assets held for sale:

Assets are classified as held for sale under current assets if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to be sold within one year from the balance sheet date. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

o. Leases:

Finance lease

The one of the Subsidiary Companies has acquired certain building on finance lease. Such lease arrangements are for a period of 99 years and the entire lease rentals has been paid upfront at the time of initiation of the lease. The Subsidiary Company has recognized these building so acquired as owned assets instead of lease under property, plant and equipment at an amount equal to the upfront lease payment plus initial direct costs. Such amount is amortized over the estimated life of the assets under straight line method

Operating lease

The Group has not taken any property on Operating lease.

p. ***Income tax:***

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rates with adjustments for changes in deferred tax assets or liabilities attributable to temporary differences and unused tax losses or credits.

Current tax is calculated based on tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized on temporary differences arising from the tax bases of assets and liabilities and their respective carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that does not result from a business combination and at the time of such transaction, affects neither the accounting profit or loss nor taxable profit (tax loss) for the period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available against which those temporary differences/losses can be utilized. Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the consolidated statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Current tax assets and tax liabilities are offsetted where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

q. ***Segment reporting:***

Operating segments are identified in a manner consistent with the internal reporting presented to the chief operating decision maker (CODM).

The chief operating decision maker (CODM) is a function which regularly reviews the financial results of the operating segments for the purpose of assessing its performance and allocation of funds to such segments. The Group identifies its Managing Committee as the chief operating decision maker as per Ind AS 108. In view of the identical geographical location and the same product, i.e. ITES, there is hardly any need for separate segmental reporting.

r. ***Events after reporting date:***

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed. There are no such events.

s. ***Earnings per Share:***

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events that have changed the number of outstanding equity shares, without a corresponding change in the resources. For the purpose of calculating diluted earnings per equity share, net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. As on the balance sheet dates, the Holding Company has no dilutive potential equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 3 - PROPERTY, PLANT & EQUIPMENT, GOODWILL & INTANGIBLE ASSETS

Amount (₹)

GROSS CARRYING AMOUNT	PROPERTY, PLANT AND EQUIPMENT			GOODWILL	INTANGIBLE ASSETS
	Buildings (Leasehold Premises)	Plant & Equipment	Furniture & Fixtures		(Computer Software)
Cost or valuation					
At 1 April 2016	6,693,301	5,215,474	663,832	243,934,701	1,478,612
Add : Additions	-	535,281	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
Less : Classified as held for sale	-	-	-	-	-
At 31 March 2017	**6,693,301**	**5,750,755**	**663,832**	**243,934,701**	**1,478,612**
Add : Additions	-	305,703	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
At 31 March 2018	**6,693,301**	**6,056,458**	**663,832**	**243,934,701**	**1,478,612**
Accumulated Depreciation / Amortization / Impairment					
At 1 April 2016	6,409,713	4,911,489	629,367	-	1,267,237
Depreciation charge for the year	14,298	235,932	3,006	-	99,271
Impairment charge for the year	-	-	-	-	-
At 31 March 2017	**6,424,011**	**5,147,422**	**632,373**	**-**	**1,366,508**
Depreciation charge for the year	13,577	322,079	621	-	36,572
Disposals	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-
At 31 March 2018	**6,437,588**	**5,469,501**	**632,994**	**-**	**1,403,080**
Net Book Value					
At 31 March 2018	255,713	586,958	30,838	243,934,701	75,532
At 31 March 2017	269,290	603,333	31,459	243,934,701	112,104
At 1 April 2016	283,588	303,985	34,465	243,934,701	211,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 4.1 INVESTMENTS (Non Current)

Particulars	Face Value (₹)	Numbers 31.03.2018	Numbers 31.03.2017	Numbers 01.04.2016	Amount (₹) 31.03.2018	Amount (₹) 31.03.2017	Amount (₹) 01.04.2016
Quoted, fully paid up:							
Investments in Equity Instruments							
Carried at Fair Value through OCI							
- Hindustan Construction Ltd.	1	100	100	100	2230	3950	1960
- Hindustan Motor Ltd.	5	100	100	100	705	913	513
- Century Extrusions Ltd.	1	200	200	200	954	1070	340
- ICICI Bank Ltd.	2	65	65	65	18096	18012	15376
- Mahindra Lifespace Developers Ltd	10	2	2	2	885	1643	1643
- NTC Industries Ltd.	10	100	100	100	4235	3715	3015
Sub total of quoted investments in equity (A)					**27105**	**29303**	**22847**
Investments in Quoted Debentures							
Carried at Fair Value through OCI							
- Finolex Pipe Ltd.	2	25	25	25	16733	12916	7009
Sub total of quoted investments in debentures (B)					**16733**	**12916**	**7009**
Aggregate amount of quoted investments (A+B)					**43837**	**42218**	**29856**
Unquoted, fully paid up:							
Investments in Equity Instruments							
Measured at cost							
- Enkay Texofood Ltd.		106	106	106	2120	2120	2120
- PCS Data Products Ltd.		50	50	50	1500	1500	1500
- Neena Consultants Ltd.		100	100	100	515	515	515
- Philips India Ltd.		100	100	100	8200	8200	8200
- Haresh Collections (P) Ltd.	10	7250	7250	2550	2657350	2657350	947631
- Rituraj Shares & Securities Ltd.	10	26905	26905	26905	2603000	2603000	2603000
Aggregate amount of unquoted investments					**5272685**	**5272685**	**3562966**
Quoted , fully paid up:							
Investments in Mutual Fund							
Measured at cost							
- ICICI Prudential balanced Advantage Fund		26213.95	12525.33	-	800000	360000	-
- UTI Floating Rate Fund		28.44	208.60	-	79995	540000	-
- UTI Wealth Builder Fund		3578.58	-	-	120000	-	-
Aggregate amount of investment in Mutual Fund					**999995**	**900000**	**-**
NAV of the Mutual Fund					1066587	932599	-
Investments in Partnership Firm:							
- M. M. International					26833969	26433448	25754659
Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 4772808.14)							
Aggregate amount of investment in Partnership Firm					**26833969**	**26433448**	**25754659**
TOTAL					**33150487**	**32648351**	**29347481**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 4.2			
TRADE RECEIVABLES (Non Current)			
Unsecured, Considered Good	29,947,202	30,046,776	30,985,453
NOTE - 4.3			
LOANS (Non Current)			
Unsecured, Considered Good			
i) Security Deposit	268,695	268,695	268,695
ii) Other Loans (Interest accrued thereon)	30,019,370	29,961,243	29,508,768
	30,288,065	30,229,938	29,777,463
NOTE - 4.4			
OTHER FINANCIAL ASSETS (Non Current)			
Deposits with more than 12 months maturity	1,834,077	1,725,578	1,546,565
NOTE - 5			
OTHER NON CURRENT ASSETS			
Unsecured, Considered Good			
i) Deposits with Govt. and others	638,514	965,672	392,511
ii) MAT credit entitlement	895,769	574,576	433,252
iii) Other Advances	90,320,195	87,517,122	89,107,795
	91,854,478	89,057,370	89,933,558

NOTE - 6.1

INVESTMENTS (Current)

Particulars	Face Value (₹)	Numbers 31.03.2018	Numbers 31.03.2017	Numbers 01.04.2016	Amount (₹) 31.03.2018	Amount (₹) 31.03.2017	Amount (₹) 01.04.2016
Quoted, fully paid up:							
Investments in Equity Instruments Carried at Fair Value through OCI							
- AKSH OPTIFIBRE LTD.	5	-	1000	-	-	21300	-
- ATLAS CYCLES (HARYANA) LTD.	5	-	300	-	-	125640	-
- BALRAMPUR CHINI MILLS LTD.	1	250	-	-	18913	-	-
- BARAK VALLEY CEMENTS LTD.	10	-	500	-	-	13725	-
- CUPID LTD.	10	-	450	-	-	147713	-
- ECLERX SERVICES LTD.	10	125	-	-	150400	-	-
- EMKAY GLOBAL FINANCIAL SERVICES LTD.	10	3000	-	-	444750	-	-
- GREENCREST FINANCIAL SERVICES LTD.	1	5000	-	-	164750	-	-
- GVK POWER & INFRASTRUCTURE LTD.	1	4999	-	-	70736	-	-
- HBL POWER SYSTEMS LTD.	1	-	5000	-	-	214250	-

Contd......

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE - 6.1 (Contd...)

INVESTMENTS (Current)

Particulars	Face Value (₹)	Numbers 31.03.2018	Numbers 31.03.2017	Numbers 01.04.2016	Amount (₹) 31.03.2018	Amount (₹) 31.03.2017	Amount (₹) 01.04.2016
- HINDALCO INDUSTRIES LTD.	1	-	-	1000	-	-	87950
- INDIABULLS REAL ESTATE LTD.	2	3250	-	-	588575	-	-
- ITDC LTD.	10	-	200	-	-	82390	-
- JAI CORP LTD.	1	-	1000	-	-	74050	-
- J.KUMAR INFRAPROJECTS LTD.	5	-	1000	-	-	298500	-
- JUBILANT INDUSTRIES LTD.	10	-	1000	-	-	312650	-
- KAYA LTD.	10	500	-	-	524125	-	-
- KEWAL KIRAN CLOTHING LTD.	10	200	-	-	304310	-	-
- KESAR TERMINALS & INFRASTRUCTURE LTD.	5	2000	-	-	255500	-	-
- OIL AND NATURAL GAS CORPORATION LTD.	5	-	-	1000	-	-	214750
- RAMKRISHNA FORGINGS LTD.	10	1223	2000	1000	859341	959300	344100
- RSWM LTD.	10	-	-	1000	-	-	299150
- SELAN EXPLORATION TECHNOLOGY LTD.	10	1000	-	-	190050	-	-
- SUMEET INDUSTRIES LTD.	10	10000	-	-	155500	-	-
- TEXMACO RAIL & ENGINEERING LTD.	1	-	1000	-	-	92800	-
- TRANSPORT CORPORATION OF INDIA LTD.	2	-	1000	-	-	233450	-
- VICEROY HOTELS LTD.	10	2000	-	-	24700	-	-
- WATERBASE LTD.	10	-	300	-	-	26775	-
- WELSPUN ENTERPRISES LTD.	10	3000	-	-	424050	-	-
- WELSPUN INDIA LTD.	1	-	4000	-	-	351000	-
- WOCKHARDT LTD.	5	-	100	100	-	72000	97395
- ZEE MEDIA CORPORATION LTD.	1	3000	-	-	114600	-	-
- ZICOM ELECTRONIC SECURITY SYSTEMS LTD.	10	-	2000	-	-	78900	-
Aggregate amount of quoted investments					**4290299**	**3104443**	**1043345**
Quoted / Unquoted, fully paid up:							
Investments in Mutual Fund							
Measured at Cost							
- ICICI Prudential Fund - Growth		2725.20	3124.29	-	90000	94479	-
- ICICI Prudential Balanced Adv Fund - Dividend		-	723065.80	-	-	10000000	-
- HDFC Mid-cap Opportunity Fund - Growth		682.15	-	-	40000	-	-
- HDFC Prudent Fund - Dividend		326677.70	-	-	10385000	-	-
- HDFC Prudent Fund - Growth		280.27	-	-	140000	-	-
- HDFC Small Cap Fund - Growth		4872.09	-	-	200000	-	-
- Reliance Small Cap Fund		543.06	-	-	20000	-	-
- Aditya Birla Sun Life Equity Fund		30.80	-	-	20000	-	-
Aggregate amount of investment in Mutual Fund					**10895000**	**10094479**	**-**
NAV of the Mutual Fund					10144249	10390936	
TOTAL					**15185299**	**13198921**	**1043345**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 6.2			
TRADE RECEIVABLES (Current)			
Unsecured, Considered Good	1,774,913	1,989,862	193,435
NOTE - 6.3			
CASH AND CASH EQUIVALENTS			
i) Balance with Banks:			
- In Current Account	1,003,799	417,618	(48,277)
ii) Cash on Hand	1,846,027	2,046,647	6,417,727
iii) Bank Deposits	150,000	600,000	10,593,622
	2,999,826	3,064,265	16,963,073
NOTE - 6.4			
LOANS (Current)			
Unsecured, Considered Good			
Security Deposit	60,000	60,000	100,000
NOTE - 7			
OTHER CURRENT ASSETS			
Unsecured, Considered Good			
i) Deposits with Govt. and others	3,816,674	2,507,246	1,222,379
ii) Employee Advances	15000	-	-
iii) Other Advances	149,704,137	149,675,018	149,725,986
	153,535,811	152,182,264	150,948,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 8			
EQUITY SHARE CAPITAL			
Authorised			
60,000,000 Equity Shares of Rs.10 each (Previous years : 60,000,000 Equity Shares)	600,000,000	600,000,000	600,000,000
Issued, Subscribed and Fully Paid			
55,774,000 Equity Shares of Rs.10 each (Previous years : 55,774,000 Equity Shares)	557,740,000	557,740,000	557,740,000

i) Movemenr in Equity Share Capital :

Particulars	No. of shares	Amount (₹)
Balance at April 1, 2016	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2017	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2018	55,774,000	557,740,000

ii) Terms / Rights attached to Equity Shares:

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.

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

Name of the Shareholder	As at March 31, 2018 No. of shares held	% of holding	As at March 31, 2017 No. of shares held	% of holding	As at April 1, 2016 No. of shares held	% of holding
Sunita Gupta	8573533	15.3719	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	5229418	9.3761	5029418	9.0175	4650880	8.3388
Rituraj Shares & Securities Ltd.	7353581	13.1846	7170581	12.8565	7677853	13.7660
Haresh Collections Pvt Ltd.	10269410	18.4125	9945281	17.8314	9945281	17.8314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)	As at 01.04.2016 Amount (₹)
NOTE - 9			
OTHER EQUITY			
i) Capital Reserve	13,582,487	13,582,487	13,582,487
ii) Retained Earnings	(21,307,856)	(23,100,679)	(24,377,864)
	(7,725,369)	(9,518,192)	(10,795,377)
i) Capital Reserve			
Opening balance	13,582,487	13,582,487	
Movement during the year	-	-	
Closing balance	13,582,487	13,582,487	
ii) Retained Earnings			
Opening balance	(23,100,679)	(24,377,864)	
Profit for the year	1,792,823	1,277,185	
Items of other comprehensive Income recognised directly in retained earnings	-	-	
Closing balance	(21,307,856)	(23,100,679)	
NOTE - 10			
OTHER FINANCIAL LIABILITIES (Non Current)			
Others	1,460,879	1,478,879	2,131,733
NOTE - 11			
OTHER NON CURRENT LIABILITIES			
i) Advances from customers	46,304,116	43,678,696	43,435,828
	46,304,116	43,678,696	43,435,828
NOTE - 12			
TRADE PAYABLES (Current)			
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	4,879,401	3,011,328	1,006,191
	4,879,401	3,011,328	1,006,191
NOTE - 13			
OTHER CURRENT LIABILITIES			
i) Advances from customers	371,245	928,881	1,156,566
ii) Statutory Liabilities	682,333	163,578	106,303
iii) Employee benefits payable	1,261,369	1,387,026	748,200
	2,314,947	2,479,485	2,011,068
NOTE - 14			
PROVISIONS			
Provision for Income Tax	539,925	284,016	77,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)
NO TE - 15		
REVENUE FROM OPERATIONS		
Sale of Software Services (ITES)		
- Exports	8,550,954	8,320,951
- Domestic	24,380,618	21,432,366
- Brokerage Income	68,312	46,185
- MTM Profit Loss	393,957	1,134,925
- Commission on Mutual Fund	209,091	86,322
- Short Term Capital Gain	480,564	(91,247)
- Long term Capital Gain	232,480	-
- Speculation Income	(4,758)	8,441
- Dividend Income	1,132,931	461,775
	35,444,149	31,399,718
NOTE - 16		
OTHER INCOME		
i) Interest Income:		
- from others	3,314,960	3,290,301
- from Bank Deposits	126,272	147,179
iI) Other Non Operating Income:		
- Other Income (includes share of profit of M.M.Internation: ` 371.37)	148,510	(3,399)
iii) Training Fees	262,500	-
iv) Incentive Received from SMC	489	-
v) Interest on TDS Refund	13,246	-
vi) Interest on FD	23,423	189,258
	3,889,400	3,623,339
NOTE - 17		
EMPLOYEE BENEFITS EXPENSE		
Salary, wages & bonus	15,815,275	16,715,199
Contribution to Provident Fund & Other Funds	62,063	23,367
Staff welfare expenses	1,127,383	606,940
	17,004,722	17,345,506
NOTE - 18		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	336,276	253,236
Amortisation of intangible assets	36,572	99,271
	372,848	352,507
NOTE - 19		
OTHER EXPENSES		
Power & Fuel	903,750	1,020,995
Maintenance Exp.	261,405	258,516
Repairs & Maintenance		
- Others	334,080	61,348
Rates & taxes	23,103	22,388
Advertisement & Publicity	20,526	18,720

Contd.......

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	As at 31.03.2018 Amount (₹)	As at 31.03.2017 Amount (₹)
NOTE - 19 (Contd...)		
OTHER EXPENSES		
Annual Maintenance Charge	113,023	2,500
Business Promotion Exp.	1,346,346	319,736
Legal Expenses	11,410	24,600
Consultancy Charges	792,515	1,129,119
Cost to Investment Exp	2,522	3,587
Communication Exp		
- Telephone Exp.	445,382	578,952
- Bandwidth Charges	322,538	116,669
Bank Charges & Commission	29,290	36,836
Consumables	147,200	72,550
Customer Support	3,454,090	2,341,000
Software Development Exp.- Oracle	954,121	2,854,300
Travelling Exp	1,283,809	1,028,997
Contract for Software development	-	216,000
Paypal Charges	210,414	232,877
Penalty on Service Tax	1,725	1,400
Referral Fee Paid	2,829,570	-
Swachh Bharat Cess Exp	7,903	28,190
Director Sitting Fees	18,300	20,670
Other Expenses	1,382,483	980,678
Franchise Exp	6,699	10,882
Board Meeting Exp.	320,000	120,000
Printing & Stationery	16,406	17,926
Demat Charges	10,123	5,522
Analysis of Market	96,000	-
Service Tax	-	1,029
Rent	120,000	120,000
Donation	20,000	8,000
Software Expenses	24,000	48,000
Faculty Fees	248,000	-
Subscription Charges	78,000	78,000
Conveyance	330,860	285,609
SEBI Reg fees	1,500	1,500
Consultancy Fees	142,000	336,042
Books & Periodical	27,140	5,250
Provision for dimunition in value of current invetsments	527,064	(87,667)
Filing Fees	2,400	1,200
Statutory Expenses		
- Postage for AGM	254,502	266,724
- Printing & Stationery AGM	240,000	385,000
- Share Transfer Fees	39,103	51,143
- Other Statutory Expenses	440,014	454,000
Payment to Auditors		
To Statutory Auditor		
- Statutory Audit Fee	25,000	25,025
To others		
- VAT Audit Fee	2,000	2,000
- Certification and taxation matters	26,500	500
	17,892,816	13,506,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

20. **Deferred taxes:**

Current Tax and Deferred Tax has not been recognized due to brought forward losses.

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

21. Based on the information available with the Group , there are no party who falls under the provisions of Micro and Small Enterprises as per MSMED Act, 2006 and accordingly the disclosure is not applicable.

22. The Group's respective business activity falls within a single primary business segment i.e. Software business and share trading business therefore, the disclosure requirement of "Segment Reporting" is not applicable.

23. EarningsPer Share (EPS)

Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Net profit attributable to equity shareholders (₹)	1,792,823	1,277,185
Weighted average number of equity shares outstanding during the year (nos)	55774000	55774000
Face value per share (₹)	10	10
Earnings per share (₹)		
- Basic earnings per equity share	0.03	0.02
- Diluted earnings per equity share	0.03	0.0

24. **Disclosure in accordance with Ind AS-19 on employee benefits expense**

Post-employment benefits plan:

Retirement benefit plans of the Group comprising of gratuity, superannuation and provident fund consists of both defined benefit plan and defined contribution plan. Other long term employee benefits include compensated absences subject to certain limits and rules.

Defined contribution plans :

The provident fund and superannuation fund has been classified as defined contribution plan as the Group has an obligation to pay a fixed amount to the government administered fund and has to further obligation if the assets of such funds are not enough to meet all the employee obligations provided under such plans.

Defined benefit plans:

Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on Superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Gratuity as per AS-15 has not been provided; it will be accounted for in the year of payment since no material obligation has been recognized.

Other long-term employee benefits :

The Group provides for encashment of accumulated leaves standing at the credit of its employees at the time of their exit by way of retirement (on superannuation or otherwise), death or disability, subject to certain limits and rules framed by the Group and it will be accounted for in the year of payment since no material obligation has been recognized.

Termination benefit:

Termination benefits are employee benefits provided exchange for the termination of an employees employment as a result of either:

a) The Group's decision to terminate an employee's employment before the normal retirement date; or

b) An employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group shall recognize a liability and expense for termination benefits on payment basis in the year of payments.

25. **Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2018.

Name of the related parties and related party relationships

i) Key management personnel

Name Of The Person	Designation
Ajay Kumar Agarwal	Executive Director
Sagar Mal Gupta	Promoter Director
Arpita Gupta	Non-Executive Director
Vikash Kamani	Independent Director
Sushil Kumar Gupta	Independent Director
Leela Murjani	Independent Director
Mahesh Gupta	Chief Executive Officer
Dipak Patra	Chief Financial Officer (till 10-07-2017)
Biswarup Maity	Chief Financial Officer (w.e.f 21-07-2017)
Pritika Gupta	Company Secretary

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

S M Gupta & Co.
Leena Consultancy
Rituraj Shares & Securities Ltd.
Rituraj Shares & Securities

iii) Transactions with related parties

Payment To Key Managerial Personnel

		Year ended 31 March 2018 (₹)	**Year ended 31 March 2017 (₹)**
Sushil Kumar Gupta	Director Sitting Fees	10,000/-	8,000/-
Leela Murjani	Director Sitting Fees	168,000/-	10,000/-
Pritika Gupta	Salary	1,86,011/-	1,86,000/-
Biswarup Maity	Salary	1,96,398/-	-
Farzana Chowdhury	Salary	3,87,577/-	-
Mahesh Gupta	Director Sitting Fees	1,60,000/-	-

iv) Balances with related parties:

Particulars	**As at 31st March 2018 (₹)**	**As at 31st March 2017 (₹)**	**As at 1st April 2016 (₹)**
Trade Receivables :			
Leena Consultancy	19,763,567	19,763,567	19,763,567
Rituraj Shares & Securities Ltd.	-	-	7,31,020/-
Rituraj Shares & Securities	98,04,730/-	98,04,730/-	98,04,730/-
Trade Liability :			
S M Gupta & Co	-	-	1,096,322/-
Rituraj Shares & Securities Ltd.	3,659,210/-	3,659,210/-	3,659,210/-

26. **Fair value measurement:**

A. Category wise classification of financial instruments

Particulars	As at 31st March 2018 (₹)	As at 31st March 2017 (₹)	As at 1st April 2016 (₹)
a. Financial assets			
i. Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments (refer note (i) below)	43,34,137/-	31,46,662/-	10,73,201/-
ii. Carried at cost			
Trade Receivable	31,722,115/-	32,036,638/-	31,178,887/-
Loans	30,348,065/-	30,289,938/-	29,877,463/-
Others	18,34,077/-	17,25,578/-	15,46,565/-
Cash and Cash Equivalents	2,999,826/-	30,64,265/-	16,963,073/-
iii. Measured at Cost			
Investments in Unquoted Equity Instruments	52,72,685/-	52,72,685/-	35,62,966/-
Investment in Mutual Fund	11,894,995/-	10,994,479/-	-
Investment in Partnership Firm	26,833,969/-	26,433,448/-	25,754,659/-
Total Financial Assets	**115,239,869/-**	**112,963,693/-**	**109,956,814/-**
b. Financial Liabilities			
Measured at Amorized Cost			
Trade Payables	48,79,401/-	30,11,328/-	1,006,191/-
Other Financial Liabilities	14,60,879/-	14,78,879/-	21,31,733/-
Total Financial Liabilities	**63,40,280/-**	**44,90,207/-**	**31,37,924/-**

Notes:

i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Group has chosen to measure these investments in quoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the Consolidated statement of profit and loss may not be indicative of the performance of the Group.

ii) The management assessed that the fair value of cash and cash equivalents, other bank balances , bank deposits, loans, Trade receivables, other advance, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

B. Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The Categories used are as follows:

- Level 1: Quoted prices (Unadjusted) in active markets for financial instruments.
- Level 2: The fair value for financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

For Assets and Liabilities which are measured at fair value as at balance sheet date, the classification of fair value by category and level on inputs used is given below:

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2018			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	4,334,137/-	-	-
As at 31st March, 2017			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	3,146,662/-	-	-
As at 1st April, 2016			
Designated at fair value through other comprehensive income (FVTOCI)			
Investments in Quoted Equity Instruments	1,073,201/-	-	-

C. Computation of Fair Values

Investments in Mutual Funds are classified under current financial assets are short term investments whose fair value are considered as the net asset value (NAV) declared by the respective fund houses on a daily basis. Thus the declared NAV is similar to fair market value for these mutual fund investments since transactions between the Investor and fund houses will be carried out at such prices.

Investments in equity instruments represents long term strategic investments made in certain listed or unlisted companies. For listed companies, fair value is based on quoted market prices of such instruments as on the balance sheet date on the recognised stock exchange (where traded volume is more during last six months).

D. Fair value of assets and liabilities measured at cost/amortized cost

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances, bank deposits, loans, trade receivables, other advance, trade payables and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

27. Financial risk management

Group's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group 's risk management objectives and policies need approval of it's Board of Directors.

a. Credit risk:

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

i) Trade receivables

Customer credit risks is managed by each business unit in accordance with the credit policy, procedures and controls relating to credit risk management. Credit quality of each individual customer is assessed based on financial positions, past trends, market reputation, prevailing market and economic conditions, expected business and anticipated regulatory changes. Based on this evaluation, credit limit and credit terms are decided for each individual customer. Exposure to customer credit risk is regularly monitored through credit locks and release. The Group has a low concentration of risk in respect of trade receivables since its customers are widely spread and operates in diversified industries and varying market conditions. Export customers are secured through letter of credit and generally not subject to credit risks.

Impairment of trade receivables is based on expected credit loss model (simplistic approach) depending upon the historical data, present financial conditions of customers and anticipated regulatory changes. Maximum exposure to credit risks at the reporting date is disclosed in Note 4.2 & 6.2. Group does not hold any collateral in respect of such receivables.

ii) Other financial instruments

Credit risks from other financial instruments include mainly cash and cash equivalents and deposits with banks. Such risk is managed by the Board of Directors of the Group in accordance with Group 's overall investment policy approved by its Board of Directors. The investments are reviewed by the Board of Directors on a quarterly basis.

The Group has no exposure to credit risk relating to its cash and cash equivalents. Credit risk for other financial instruments are monitored by the Board of Directors in accordance with its overall risk management policies. Impairment of such assets is computed per expected credit loss model (general approach) assessed on the basis of financial position, detailed analysis and expected business of the counterparty to such financial assets.

b. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks comprises of three types - currency risk, cyber security risk, concentration risk, competition risk, regulatory risk and other price risk, such as equity price risk. Financial Instruments affected by market risks include investments in mutual funds or equity instruments.

i) **Currency risk** – The Group has made a well defined currency hedging Policy which helps in controlling risk arisen from currency fluctuations and volatility.

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

iii) **Concentration Risk** - Regional concentration as well as vertical concentration can adversely impact Group's business in case of a slowdown.

iv) **Competition Risk**- The ever increasing competition poses a key risk in terms of acquiring client business as well as human talent. Group has enhanced their value in the proposition of its customers by way of deepening its domain expertise, technological capabilities and customer engagement, on the human capital front.

v) **Regulatory Risk**- Legislation in various countries in which we operate including the US & UK , Australia may place restrictions on companies in those countries from outsourcing work to us, or may enact stricter immigration laws or may limit our ability to send our employees to certain client sites. A team of professionals has been employed within and outside the Group. The Group has working on mitigating this on a continuous basis.

vi) **Price risk** - Price risk is the risk that the fair value or future cash flows will fluctuate due to change in market prices. The Group is exposed to price risk arising from its Investments and Equity Instruments. The Group 's manages such risk in accordance with its overall risk management policy approved by the Board of Directors.

c. Liquidity risk:

Liquidity risk is the risk that the Group may not be able to meet its contractual obligations associated with its financial liabilities. The Board of Director of the Group manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensure that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Group plans to meet the contractual obligations from its internal accruals. Additionally, surplus funds generated from operations are parked in short term debt or liquid mutual funds and bank deposits which can be readily liquidated when required.

d. Capital Management:

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Group's capital management is to maximise the shareholder value.

28. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April 2016 (date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Act(previous GAAP or Indian GAAP). An explanation on how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Ind AS optional exemptions

(i) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant & Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition, after making necessary adjustments for decommissioning liabilities. This exemption can also be used for Intangible Assets covered by Ind AS 38.

Accordingly, the Group has elected to measure all of its Property, Plant & Equipment and Intangible Assets at their previous GAAP carrying value.

(ii) Impairment of financial assets

The Group has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at 01 April 2016.

B. Ind AS mandatory exceptions

(i) Derecognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition. Alternatively such first time adopter can apply such de-recognition provisions retrospectively from a date of Company's choice, if adequate information required to apply Ind AS 109 to financial assets and liabilities de-recognized previous to the date of transition was initially available at the time of such transactions. The Group has elected to apply the de-recognition provision of Ind AS 109 prospectively from the date of transition.

(ii) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind As shall be consistent with the estimates made for the same date in accordance with previous GAAP(after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(iii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS (as at 31 March 2017 and 1 April 2016)

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.
The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Effect of Ind AS adoption on Total equity :

Particulars	**Foot Notes**	**As at 31st March 2017 (₹)**	**As at 1st April 2016 (₹)**
Equity as per previous GAAP		547,926,776	546,901,601/-
Adjustments :			
- Effect of Measuring Non Current Investments at fair value	1	2,95,032/-	43,022/-
Total Equity as per Ind AS		548,221,808/-	546,944,623/-

(ii) Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	**Foot Notes**	**As at 31st March 2017 (₹)**
Profit after tax as per previous GAAP		10,25,175/-
Profit after tax as per Ind AS		10,25,175/-
Other Comprehensive Income :		
Changes in Fair Value of Equity Instruments	1	252,010/-
Total Comprehensive Income as per Ind AS		1,277,185/-

(iii) Effect of Ind AS adoption on the Consolidated Statement of Cash flow for the year ended 31st, March 2017

Particulars	Previous GAAP	Ind AS Adjustments	Ind AS
Net Cash generated from operating activities (1)	(1,657,145/-)	-	(1,657,145/-)
Net Cash Generated from investing activities (2)	(12,062,651/-)	179,013/-	(12,241,664/-)
Net Cash Used in Financing Activities (3)	-	-	-
Net (decrease)/increase in Cash and Cash Equivalent	(13,719,796/-)	179,013/-	(13,898,809/-)
Cash and Cash Equivalents as on 1st April, 2016	18,509,638/-	1,546,565/-	16,963,073/-
Cash and Cash Equivalents as on 31st March, 2017	4,789,843/-	1,725,579/-	3,064,264/-

(iv) Foot Notes to First time Adoption

1. Under the previous Indian GAAP investments are classified into current and non-current based on the intended holding period and realisability . Investments in non-current equity instruments for measured at cost less provision for decline (other than temporary decline) in the value of such investments at each balance sheet date.

Under Ind AS, these investments are required to be measured at fair value. Non – current equity instruments has been designated at fir value through other comprehensive income (FVTOCI) and changes in its fair value as on the transition date is accounted in equity instrument through OCI with an equivalent change in investment value. Subsequent change in fair value for the year ended 31st March 2017 is accounted under OCI.

2. Deferred tax : Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. It requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base.

3. Remeasurements of post-employment benefit obligations : Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets , excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. There is no impact on the total equity as at 31 March 2017. The Group has accounted for the above expense on cash basis and will recognize the liability in year of payment.

4.Other equity : Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments on the date of transition.

5.Other Comprehensive Income : Under Ind AS, all items of income and expense recognized in a period should be included in the profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit or loss as 'other comprehensive income' includes Changes in Fair Value of Equity Instruments. The concept of 'other comprehensive income' did not exist under previous GAAP.

6. Cash flow from financing activities : Other bank balances (disclosed under Note 4.4) are not considered as part of cash and cash equivalents under Ind AS.

29. Assets pledged as security

The carrying amounts of assets i.e fixed deposits with Indusind bank amounting to Rs. 15,39,000.00 pledged as security for procurement of a bank Gurantee amounting to Rs.15,39,000.00 in favor of Oracle India Private Limited, Gurgaon, Haryana.

30. The previous GAAP figures has been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

In terms of our report attached

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

Sonu Jain
Partner
Membership No.: 060015

Place : Kolkata
Date : 21st May, 2018

For and on behalf of the Board of **Lee & Nee Softwares (Exports) Ltd**

Ajay Kumar Agarwal
Director (DIN : 01265141)

Arpita Gupta
Director (DIN : 02839878)

Biswarup Maity
Chief Financial Officer

Pritika Gupta
Company Secretary

If undelivered, please return to :

Lee & Nee
Softwares (Exports) Ltd.

Office : 14B, Camac Street
Kolkata - 700 017