



Lee & Nee
Softwares (Exports) Ltd.

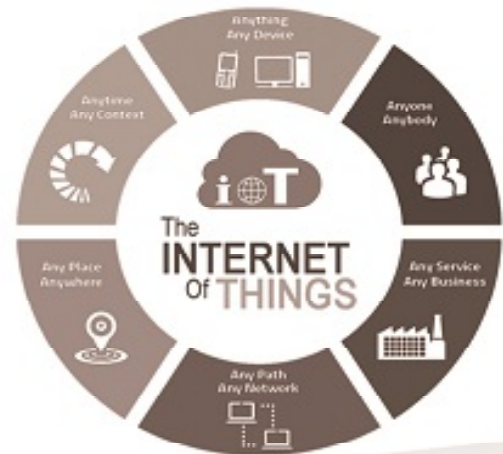
TWENTY NINTH

29th

MOBILE APPS



FROM CONNECTING
DEVICES
TO HUMAN VALUE



ERP FOR EDUCATION
VERTICAL

ANNUAL
REPORT & ACCOUNTS
2016-2017



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

AUDITORS : JAIN SONU & ASSOCIATES
CHARTERED ACCOUNTANTS

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

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

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

REGISTRAR & SHARE TRANSFER AGENTS : MAHESHWARI DATAMATICS PVT. LTD.
23, R. N. MUKHERJEE ROAD, 5TH FLOOR
KOLKATA - 700 001

CORPORATE IDENTITY NUMBER (CIN) : L70102WB1988PLC045587



NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of Lee & Nee Softwares (Exports) Limited will be held at Shishir Mitra Hall, 3rd Floor, Webel Bhavan, Block EP & GP, Sector-V, Saltlake, Kolkata -700091 on Saturday the 23rd September, 2017 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, 2017, 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, 2017 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Arpita Gupta (DIN02839878), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time M/s. Jain Sonu & Associates, Chartered Accountants (Registration No. 324386E) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Third Annual General Meeting to be held in the year 2021 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

Place: Kolkata
Date: The 21st July, 2017.

Pritika Gupta
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of self and the proxy need not be a Member of the Company.** The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
2. Additional information, pursuant to Regulation 36 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 23, 2017 forms part of the notice. The director has furnished consent / declaration for her 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 who hold shares in dematerialized form are requested to bring their Depository Account Number (Client ID and DP ID no.) for easier identification and recording of the attendance at the meeting.
5. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.
6. 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.



7. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate to the Company, the ledger folios of such accounts to enable the Company to consolidate all such share holding into one account.
9. Shareholders are requested to send all transfer documents to the Registrar & Share Transfer Agents of the Company by Registered Post to ensure safe delivery of documents.
10. The Register of 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 16.09.2017 to 23.09.2017 (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.
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. As per SEBI's directive, w.e.f June 26, 2000 all investor can offer delivery of Company's shares in dematerialized form only. 54016922 number of Company's shares (96.85%) have been dematerialized as on 31.03.2017.
Members are requested to take steps to dematerialize their shares held in physical form to have easy liquidity.
The Company's ISIN No. is INE791B01014.
15. Send all share transfer lodgement (physical mode) correspondences to the Registrar and Shares Transfer Agents of the Company.
16. Corporate members are requested to forward a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
17. 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.
18. The Notice of the AGM, the Annual Report 2016-17 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.
19. 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.
20. **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 and Rules framed thereunder, as amended from time to time, 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 16, 2017. .
- 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 16, 2017 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 members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 16, 2017, 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 20thSeptember, 2017 at 9.00 AM and ends on 22ndSeptember, 2017 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 16, 2017, 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 and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.insel.com and on the website of NSDL www.evoting.NSDLindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- VIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 23, 2017.
- IX. **The process and manner for remote e-voting are as under:**

A. In case a Member receives an email from NSDL (for members whose e-mail ID's are registered with the Company/ Depository Participants):

- (i) Open the e-mail and open pdf file "Lee and Nee e-voting.pdf" with your Client ID or Folio No. as password. The pdf file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password.
- (ii) The shareholder should launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on "Shareholder – Login".
- (iv) Type User ID and password as initial password/ PIN noted in step (i) above. Click Login.
- (v) You will now reach Password Change Menu, wherein you are required to mandatorily change your password/ PIN with new password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). On first login, the system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. in the user profile details of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note your new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (vi) You need to login again with the new credentials. Home page of e-voting will open. Click on "e-voting: Active Voting Cycles".
- (vii) Select the "EVEN" (Electronic Voting Event Number) of Lee & Nee Softwares (Exports) Limited. Now you are ready



for e-voting as Cast Vote page opens.

- (viii) On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
- (ix) You can similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
- (x) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet casted the vote.
- (xi) Corporate/ Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email address: 'evoting@lnsel.com' with a copy marked to 'evoting@nsdl.co.in'. The scanned image of the above mentioned documents should be in the naming format: Corporate Name_EVEN NO.

B. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):

- (i) Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
- (ii) Please follow all steps from Sl. No. (ii) to (xi) as mentioned in (A) above, to cast your vote.

C. Members who are already registered with NSDL for e-voting can use their existing User ID and password/ PIN for casting their votes. If they forgot the password, they can reset it by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.

D. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of <https://www.evoting.nsdl.com>.

- X. The Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of September 16,2017.

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

Place: Kolkata
Date: The 21st July, 2017.

Pritika Gupta
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	Mrs. Arpita Gupta
Date of Birth	24.02.1982
Appointed On	24.10.2009
Qualification	B.COM, FCA
Expertise	She is a practicing Chartered Accountant. She is Experienced in Company Law, Auditing, Securities Contract Regulation Act and allied laws regarding listing, FEMA and other direct and indirect taxation. She is having eleven years experience and well versed in Capital Market.
Directorship held in other Companies	LENSEL WEB SERVICES PRIVATE LIMITED
Committee Memberships, if any, with position	Member of Nomination And Remuneration Committee and Chairman of Stake holder Relationship Committee of Lee & Nee Softwares (Exports) Ltd.
Shareholding	55200 Equity shares of Rs. 10 each



DIRECTORS' REPORT

To,
The Shareholders

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Financial Statements and their Report thereon for the financial year ended 31st March, 2017.

Financial Results

Amount in (₹)

Particulars	<u>Consolidated</u>		<u>Standalone</u>	
	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>
Balance Brought Forward from the Last Year	(24420885.82)	(24753200.34)	(25392737.03)	(25608352.52)
Profit/(Loss) Before Depreciation and Taxation	1442966.00	723462.52	1064252.71	591375.49
	(22977919.82)	(24029737.82)	(24328484.32)	(25016977.03)
Less: Depreciation	(352506.90)	(391148.00)	(327941.28)	(375760.00)
Less: Taxation	-	-	-	-
Add: Taxes relating to earlier year	65284.00	-	-	-
Profit / (Loss)	(23395710.72)	(24420885.82)	(24656425.60)	(25392737.03)

Company's Performance

During the period under review, at consolidated level, the company achieved revenue of Rs. 35,023,056.76 , EBDITA Rs. 1,442,966.02, PBT of Rs. 1,090,459.10 and PAT of Rs. 1,025,175.10 as against a revenue of Rs. 24,467,839.24, EBDITA Rs. 723,462.52, PBT of Rs. 332,314.52 and PAT of Rs 332,314.52 respectively in the previous year.

At standalone level, the company achieved revenue of Rs. 24,921,097.37, EBDITA Rs. 1064252.71, PBT of Rs. 736,311.43 and PAT of Rs. 736,311.43 as against a revenue of Rs. 14,821,362.35, EBDITA Rs. 591,375.49, PBT of Rs. 215,615.49 and PAT of Rs 215,615.49 respectively in the previous year.

At the Standalone level the sales of the Company have increased by 68% as compared to previous year. Both the export sales increased by 40% and domestic sales increased by 87% compared to last year, and at the Consolidated level also the sales of the Company has increased by 43% as compared to last year.

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

Dividend

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

Quality Initiatives & Achievements:

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

Reserves

No amount was transferred to the reserves during the financial year ended on 31st March, 2017.

Future Prospects

Your company has maintained the business from domestic market in this year and has expanded its business in the overseas market. The Company has identified new avenues of software business. Your company has got opportunity to work on big projects in the areas of SAP and Oracle in which the company had entered last year.



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

- Your Company is looking forward to work in the areas of SAP ERP Solution, Digital Marketing and Mobile Apps development as there is huge potential in these areas.
- Your Company is now focused on further expanding Oracle Applications business both in domestic as well as in overseas market.
- Your Company has developed few unique products and is on its way to further develop more sector specific products and packages in the months to come.
- Your company is also planning to venture into new and emerging technologies like IoT, Robotics and Artificial Intelligence.
- Your Company has also ventured into computer hardware activities for its client as a part of integrated package deal. The Company anticipates to get good volume of business in the coming year.

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

Subsidiary companies

The Company has two subsidiaries namely Linsel Web Services Pvt Ltd and Rituraj Shares Broking Pvt. Ltd. as on March 31, 2017. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act 2013. There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provision of Section 129(3) of Companies Act, 2013, a statement containing salient features of the Financial Statements of the Company's subsidiaries in Form AOC-1 is attached to the Financial Statements of the Company as **Annexure-2**.

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

The 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.linsel.com>

Deposits

Your Company has not accepted any Public Deposits during the year. Hence, there is no outstanding amount of principal or interest as on the date of Balance Sheet.

Particulars of loans, guarantees and investments.

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

Related Party Transactions

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

Corporate Social Responsibility Initiatives

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;



- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Directors

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

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.

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.

Internal Financial control systems and their adequacy

The Board has adopted policies and procedures 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, errors reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, Jain Sonu & Associates, Chartered Accountants, were appointed as statutory auditors of the Company, hold office till the conclusion of the ensuing 33rd Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, 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 2017. 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 management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures which will be periodically reviewed by the Board.

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act 2013 read with 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(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable as no remuneration has been paid to the directors, except sitting fees.

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.linsel.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 Discussion 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 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., Allahabad Bank, Indian Overseas Bank, Union Bank of India, Indusind Bank, Oriental Bank of Commerce, State Government of West Bengal and Department of Electronics & Department of Telecommunication under Ministry of Information & Technology Government of India, specially Software Technology Parks of India, WEBEL(West Bengal Electronics Industry Development Corporation Limited).

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

For and on behalf of the Board

Place : Kolkata

Dated : 21st July, 2017

1. Ajay Agarwal

2. Arpita Gupta



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 7.1% overall in 2016 (in U.S. dollars), driven by varied demand across all segments. Human capital management grew well above the market average at 12%

SAP :

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 345,000 customers in more than 180 countries and 15,000 partnering companies globally, SAP is the world's third largest independent software manufacturer. 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 our 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 base 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 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.

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

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

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



THREATS

The 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 per cent, 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:

Already battling headwinds of a slowing growth, the \$150-billion Indian IT industry is staring at arguably its biggest uncertainty in recent times after Donald Trump was elected as President of the US, which accounts for around 60 per cent of its export earnings.

While artificial intelligence, digital and automation are the buzzwords this year, worry lines have started to emerge on "creeping" protectionism and negative sentiment in key markets.

IT companies, however, can take comfort from the fact that global technology spend is expected to grow 3 per cent in 2017 after sliding 0.3 per cent in 2016 and long-term targets of the industry of grossing \$225 billion by 2020 and \$350 billion by 2025 remain intact, at least for now.

For 2017, the big concern areas include protectionism and anti-globalisation creeping into markets like the US, the UK and the rest of Europe, Singapore and Australia. Second, the need to update skill base we have in India and rising need for digital and consulting skills.

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 68% as compared to previous year. Both the export sales increased by 40 % and domestic sales increased by 87% compared to last year due to new partners acquired during this period. 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. SAP ERP Solution, Digital Marketing and Mobile Apps development as there is huge potential in these areas. Company is now focused on further expanding Oracle Applications business both in domestic as well as in overseas market. Company has developed few unique products and is on its way to further develop more sector specific products and packages in the months to come. 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, 2017 was 24.

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 2017 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 31.03.2017	As on 31.03.2017
1.	Share Capital		
	Authorised Capital	10.00	50.00
	Issued, Subscribed and fully paid up Capital	10.00	36.20
2	Reserves & Surplus	67.40	367.26
3	Total Assets	536.09	405.00
4	Total Liabilities (excluding shareholder's fund)	458.68	1.54
5	Investments	29.57	151.42
6	Turnover (Revenue from operation)	82.66	18.36
7	Profit/(Loss) Before Taxation	2.61	0.93
8	Provision for Taxation	0.65	NIL
9	Profit/(Loss) after Taxation	1.96	0.93
10.	Proposed Dividend (%)	NIL	NIL
11.	% of Shareholding	100%	100%

For and on behalf of the Board

Place : Kolkata
Dated : 21st July, 2017

Ajay Agarwal
Chairman

Arpita Gupta
Director

Dipak Patra
Chief Financial Officer



Annexure-3

Directors' Remuneration Policy

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

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

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

2) Remuneration to Non- Executive / Independent Directors:

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

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- 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, 2017

[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, 2017 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, 2017 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 have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
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.

Place: Kolkata

Date: 21st July, 2017

For **Rasna Goyal**

Practising Company Secretary

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,
14B Camac Street, Kolkata 700 017

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.

Place: Kolkata
Date: 21st July, 2017

For **Rasna Goyal**
Practising Company Secretary
C.P No. 9209, FCS No. 9096

**Annexure - 5****Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2017
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, Kolkata – 700 001 Telephone : No: 22435029 / 5809 Fax no. 22484787, E-mail – mdpl@cal.vsnl.net.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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-2016]				No of Shares held at the end of the year [As on 31-Mar-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20848967	0	20848967	37.3812	21387239	0	21387239	38.3463	0.9651
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	17623134	0	17623134	31.5974	17084862	31000	17115862	30.6879	-0.9095
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	38472101	0	38472101	68.9786	38472101	31000	38503101	69.0342	0.0556
(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	0	38472101	68.9786	38472101	31000	38503101	68.9786	0.0000
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)									
Sub-total(B)(1):-	0	0	0	0.0000	0	0	0	0.0000	0.0000



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1184473	12879	1197352	2.1467	1149565	12879	1162444	2.0842	-0.0626
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5812430	1718799	7531229	13.5031	5786290	1713199	7499489	13.4462	-0.0569
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8355769	31000	8386769	15.0371	8505948	0	8505948	15.2507	0.2136
c) Others (Specify)									
Non Resident Indians	59791	0	59791	0.1072	90457	0	90457	0.1622	0.0550
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	126758	0	126758	0.2273	12561	0	12561	0.0225	-0.2048
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	15539221	1762678	17301899	31.0214	15544821	1726078	17270899	30.9658	-0.0556
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15539221	1762678	17301899	31.0214	15544821	1726078	17270899	30.9658	-0.0556
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	54011322	1762678	55774000	100.0000	54016922	1757078	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-2016)			Shareholding at the end of the year (As on 31-Mar-2017)			% 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	9945281	17.8314	0.0000	0.0000
2	SUNITA GUPTA / ADYPG0114E	8573533	15.3719	0.0000	8573533	15.3719	0.0000	0.0000
3	RITURAJ SHARES AND SECURITIES LIMITED / AACCR1449P	7677853	13.7660	0.0000	7170581	12.8565	0.0000	-0.9095
4	RAJ KUMARI AGARWAL / ADCPA3440M	5029418	9.0175	0.0000	5029418	9.0175	0.0000	0.0000
5	NEENA GUPTA / ADNPG5279F	4801772	8.6093	0.0000	4801772	8.6093	0.0000	0.0000
6	S.M.GUPTA / ACVPG5705B	1193817	2.1405	0.0000	1193817	2.1405	0.0000	0.0000
7	MAHESH GUPTA / ADGPG0686B	820701	1.4715	0.0000	1358973	2.4366	0.0000	0.9651
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	38472101	68.9786	0.0000	38503101	69.0341	0.0000	0.0000



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-2016) / end of the year (31-Mar-2017)		Cumulative Shareholding during the year (01-Apr-2016 to 31-Mar-2017)	
		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-2016)	9945281	17.8314		
	At the end of the year (31-Mar-2017)	9945281	17.8314	9945281	17.8314
2	RITURAJ SHARES & SECURITIES LIMITED/ AACCR1449P				
	At the beginning of the year (01-Apr-2016)	7677853	13.7660		
	13/05/2016 - Transfer	-538272	0.9651	7139581	12.8009
	16/09/2016 - Transfer	31000	0.0556	7170581	12.8565
	At the end of the year (31-Mar-2017)	7170581	12.8565	7170581	12.8565
3	SAGAR MAL GUPTA / AAPHS0927R				
	At the beginning of the year (01-Apr-2016)	6200	0.0111		
	At the end of the year (31-Mar-2017)	6200	0.0111	6200	0.0111
4	S.M.GUPTA / ACVPG5705B				
	At the beginning of the year (01-Apr-2016)	1193817	2.1405		
	At the end of the year (31-Mar-2017)	1193817	2.1405	1193817	2.1405
5	RAJ KUMARI AGARWAL / ADCPA3440M				
	At the beginning of the year (01-Apr-2016)	5029418	9.0175		
	At the end of the year (31-Mar-2017)	5029418	9.0175	5029418	9.0175
6	LEENA GUPTA / ADDPG2831P				
	At the beginning of the year (01-Apr-2016)	368326	0.6604		
	At the end of the year (31-Mar-2017)	368326	0.6604	368326	0.6604
7	MAHESH GUPTA / ADGPG0686B				
	At the beginning of the year (01-Apr-2016)	820701	1.4715		
	13/05/2016 - Transfer	538272	0.9651	1358973	2.4366
	At the end of the year (31-Mar-2017)	1358973	2.4366	1358973	2.4366
8	NEENA GUPTA / ADNPG2279F				
	At the beginning of the year (01-Apr-2016)	4801772	8.6093		
	At the end of the year (31-Mar-2017)	4801772	8.6093	4801772	8.6093
9	ARPITA GUPTA / ADOPA5454H				
	At the beginning of the year (01-Apr-2016)	55200	0.0990		
	At the end of the year (31-Mar-2017)	55200	0.0990	55200	0.0990
10	SUNITA GUPTA / ADYPG0114E				
	At the beginning of the year (01-Apr-2016)	8573533	15.3719		
	At the end of the year (31-Mar-2017)	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-2016) / end of the year (31-Mar-2017)		Cumulative Shareholding during the year (01-Apr-2016 to 31-Mar-2017)	
		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. / AACR5488A*				
	At the beginning of the year	621650	1.1146		
	05/08/2016 - Transfer	-75650	0.1356	546000	0.9790
	At the end of the year	546000	0.9790	546000	0.9790
2	SHEELA DOSHI / AABPD3517G				
	At the beginning of the year	300000	0.5379		
	At the end of the year	300000	0.5379	300000	0.5379
3	TEJRAJ DOSHI / AABPD3518K				
	At the beginning of the year	300000	0.5379		
	At the end of the year	300000	0.5379	300000	0.5379
4	HARSHAL AGRAWAL / AACHH6304Q				
	At the beginning of the year	507129	0.9093		
	At the end of the year	507129	0.9093	507129	0.9093
5	JAYESH TARACHAND KOTHARI / AACPK1361Q				
	At the beginning of the year	625000	1.1206		
	At the end of the year	625000	1.1206	625000	1.1206
6	ATULKUMAR JIVANLAL RAJANI / AAKPR5723K				
	At the beginning of the year	105300	0.1888		
	At the end of the year	105300	0.1888	105300	0.1888
7	RADHESHYAM CHATRAKA / AANHR6958R				
	At the beginning of the year	109667	0.1966		
	At the end of the year	109667	0.1966	109667	0.1966
8	SATHYANARAYANA UPPALANCHA / AAWPU6373L				
	At the beginning of the year	144698	0.2594		
	22/07/2016 - Transfer	-2084	0.0037	142614	0.2557
	29/07/2016 - Transfer	-436	0.0008	142178	0.2549
	At the end of the year	142178	0.2549	142178	0.2549
9	JAGADISH PRASAD TOSAWAR / ABSPT4421F				
	At the beginning of the year	548914	0.9842		
	At the end of the year	548914	0.9842	548914	0.9842
10	BINA DEVI BEHANI / ADBPB0877G				
	At the beginning of the year	92000	0.1650		
	At the end of the year	92000	0.1650	92000	0.1650



11	RAM GOPAL RAMGARHIA / ADGPR8048E				
	At the beginning of the year	305120	0.5471		
	04/11/2016 - Transfer	-22007	0.0395	283113	0.5076
	At the end of the year	283113	0.5076	283113	0.5076
12	ABHISHEK TEJRAJ DOSHI / AEGPD9279J				
	At the beginning of the year	298145	0.5346		
	At the end of the year	298145	0.5346	298145	0.5346
13	SARITA CHATRAKA / ANVPC0139N				
	At the beginning of the year	183671	0.3293		
	22/07/2016 - Transfer	-8400	0.0151	175271	0.3143
	29/07/2016 - Transfer	-2000	0.0036	173271	0.3107
	05/08/2016 - Transfer	-3200	0.0057	170071	0.3049
	26/08/2016 - Transfer	5000	0.0100	175071	0.3513
	02/09/2016 - Transfer	4600	0.0092	179671	0.3606
	09/09/2016 - Transfer	6000	0.0120	185671	0.3728
	28/10/2016 - Transfer	-2000	0.0036	183671	0.3293
	20/01/2017 - Transfer	640	0.0011	184311	0.3305
	27/01/2017 - Transfer	960	0.0017	185271	0.3322
	At the end of the year	185271	0.3322	185271	0.3322
11	NEHA SHARMA / BQDPS4562D				
	At the beginning of the year	912516	1.6361		
	At the end of the year	912516	1.6361	912516	1.6361

* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

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-2016) / end of the year (31-Mar-2017)		Cumulative Shareholding during the year (01-Apr-2016 to 31-Mar-2017)	
		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	1193817	2.1405		
	At the end of the year	1193817	2.1405	1193817	2.1405
2	MAHESH GUPTA (PAN : ADGPG0686B)				
	At the beginning of the year	820701	1.4715		
	13/05/2016 - Transfer	538272	0.9651	1358973	2.4366
	At the end of the year	1358973	2.4366	1358973	2.4366
3	ARPITA GUPTA (PAN : ADOPA5454H)				
	At the beginning of the year	55200	0.0990		
	At the end of the year	55200	0.0990	55200	0.0990
4	LEELA MURJANI (PAN : ADQPM9518E)				
	At the beginning of the year	286094	0.5130		
	At the end of the year	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	Sushil Kumar Gupta (₹)	Leela Murjani (₹)	Vikash Kamani (₹)	(₹)
	Fee for attending board/ Committee meetings	8,000.00	10,000.00	-	18,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	8,000.00	10,000.00	-	18,000.00
2	Others Non Executive Directors	Mrs. Arpita Gupta (₹)			
	Fee for attending board/ Committee meetings	-			-
	Commission	-			-
	Others, please specify	-			-
	Total (2)	-			-
	Total (B)=(1+2)	8,000.00	10,000.00		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
		CEO (₹)	Company Secretary (₹)	CFO (₹)	(₹)
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	1,86,000.00	-	1,86,000.00
	(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	-	1,86,000.00	-	1,86,000.00

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 (give details)
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

Place : Kolkata
Dated : 21st July, 2017

Ajay Agarwal
Chairman

Arpita Gupta
Director



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. 8,320,950.63 (previous year Rs. 5,942,046.24)
- b) Foreign Exchange Outgoing : Rs. Nil (previous year Rs. Nil)



Annexure-7

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-17

- 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 31.03.2017 to the various Stock Exchanges aggregating to Rs. 263350/- 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 is in full compliance with the applicable requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS:

(A) Composition of Board

The Board of Directors has Six Directors as on 31st March, 2017, comprising (i) 3 Independent Directors (ii) Chairman being Executive Director (iii) 1 Woman Independent Director. The Composition of the board is in conformity 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, 2017 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 Agarwal	Executive Director- Chairman	4	4	Yes	0	-	-
Mr. Sagarmal Gupta	Promoter Director	4	4	Yes	1	2	-
Mrs. Arpita Gupta	Non-Executive Director	4	4	Yes	1	1	1
Mr. Vikash Kamani	Independent Director / Non-Executive	4	4	Yes	1	-	2
Mr. Sushil Kumar Gupta	Independent Director / Non-Executive	4	4	Yes	11	1	-
Miss Leela Murjani	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 2017. These were held on 17th May 2016, 23rd July 2016, 22nd October 2016 and 21st January 2017.

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 21st January, 2017 as required under Regulation 25(3) of the SEBI Listing Regulations. At the meeting the Independent directors;



- Reviewed the performance of non-independent directors and the board as a whole.
- Reviewed the performance of the Chairman of the Company.
- Assessed the quality, quantity and timeliness of flow of information.

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.linsel.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	8000	8000
4. Miss Leela Murjani	10000	10000

- Sitting Fees constitute fees paid to Non-executive directors for attending Board and Committee Meetings.
- The Company did not have any pecuniary relationship or transaction with the Non-Executive Directors during the year ended 31st March, 2017 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.linsel.com.

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

All Board members and senior management personnel as per Regulation 26 (3) of SEBI Listing Regulations have affirmed compliance with the applicable Code of Conducts. 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 2017 and the gap between the two meetings did not exceed 120 days. They were held on 17th May 2016, 23rd July 2016, 22nd October 2016 and 21st January 2017. 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 the Members	Category	Position	No. of Meetings Held	No. of Meetings attended
1. Mr. Vikash Kamani	Independent, Non-Executive	Chairman	4	4
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, re-appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the 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 sub-section 5 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 thereon 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, and making appropriate recommendations to the board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings of assets of the company, where ever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors 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.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



(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 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 2016-17, the committee meeting held on 21st Jan, 2017.

(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 2016-17, the committee meeting held on 21st Jan, 2017.



(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' 2017.

VI. SUBSIDIARY COMPANIES

There are two non listed subsidiary Company(s). 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

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures which will be periodically reviewed by the Board.

VIII. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2013-14	September 27, 2014	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
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

At the AGM held on September 27,2014 a special resolution was passed for appointment of an Independent Directors.

No Special Resolution was passed at the AGM held on September 24,2016.

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 Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.



(C) Remuneration of Directors

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

(D) 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 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 2016-17 was placed before the Board at its meeting held on May 10, 2017.

(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

Registered Office:

14B, Camac Street, Kolkata - 700 017



Lee & Nee
Softwares (Exports) Ltd.

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:

Maheeswari Datamatics Pvt. Ltd.
23, R.N.Mukherjee Road, 5th Floor
Kolkata - 700 001
Telephone No. 22435029/5809
Fax no. 22484787
E-mail - mdpl@cal.vsnl.net.in

Stock Code:

BSE Ltd. 517415

Demat ISIN Nos.

INE791B01014

Investors' Complaints may be Addressed to :

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

Annual General Meeting :

Date : 23rd September 2017
Time : 11.00 A.M.
Venue : Shishir Mitra Hall
Webel Bhawan, 3rd Floor, Block EP & GP
Sector V, Saltlake, Kolkata - 700 091.

Financial Calendar 2017 - 2018

First Quarterly Results : July, 2017
Second Quarterly Results : October, 2017
Third Quarterly Results : January, 2018
Annual results for the year
Ending on 31st March, 2018 : On or before 30th May, 2018.
Annual General Meeting for the
Year ending on 31st March, 2018. : On or before 30th September, 2018.

Book Closure:

16th day of September 2017 to 23rd day of September, 2017 (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, 2017 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	15859	85.11	2826510	5.07
2.	501	to 1000	1329	7.13	1151317	2.06
3.	1001	to 2000	666	3.58	1067686	1.91
4.	2001	to 3000	211	1.13	550448	0.99
5.	3001	to 4000	107	0.57	390732	0.70
6.	4001	to 5000	125	0.67	597911	1.07
7.	5001	to 10000	164	0.88	1184664	2.12
8.	10001	to Above	173	0.93	48004732	86.08
TOTAL			18634	100.00	55774000	100.00

Category of Shareholders (as on 31.03.2017)

Category	No. of Holders	No. of Shares	% of holding
PROMOTER	10	38503101	69.04
NRI	30	90457	0.16
FII	--	--	--
OCB	--	--	--
IFI	--	--	--
IMF	--	--	--
BANK	--	--	--
EMPLOYEES	--	--	--
BODIES CORPORATE	167	1162444	2.08
CM	16	12561	0.02
PUBLIC	18408	16005437	28.70
TRUST	--	--	--

Market Price Data:

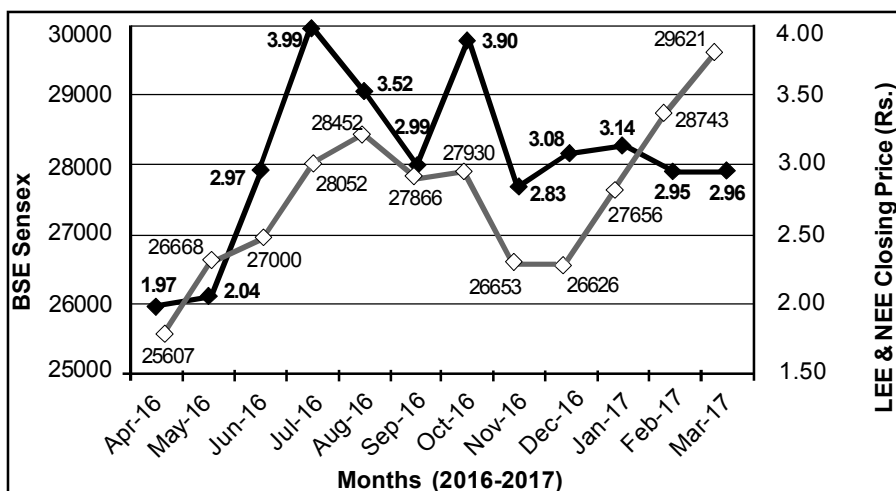
The details of high/low market price of the share at Calcutta Stock Exchange is not available as the trading platform of the Calcutta Stock Exchange is not in operation and the details of high/low market price of the share at the Mumbai Stock Exchange are as under:

Month	Quotation at Bombay Stock Exchange		No. of shares traded
	High (₹)	Low (₹)	
Apr-16	2.32	1.90	50,618
May-16	2.43	1.78	1,21,500
Jun-16	3.38	1.66	4,09,568
Jul-16	3.99	2.31	4,55,258
Aug-16	4.86	3.46	5,58,960
Sep-16	3.62	2.77	2,07,496
Oct-16	3.90	2.70	1,74,129
Nov-16	4.22	2.73	1,04,850
Dec-16	3.67	2.91	65,633
Jan-17	3.45	2.91	1,38,084
Feb-17	3.69	2.82	1,60,109
Mar-17	3.32	2.62	1,44,437

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 96.85% i.e. 54016922 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2017.

Share Transfer System:

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

Plant Location

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

Address for Correspondence

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

On behalf of the Board

Place : Kolkata
Dated : 21st July, 2017

Ajay Agarwal
Chairman

Arpita Gupta
Director

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

In terms of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm 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 2017.

Place: Kolkata
Date: 21st July, 2017

Mahesh Gupta
Chief Executive Officer



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Lee & Nee Softwares (Exports) Limited ("the company") for the year ended 31st March 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Kolkata
Date: 21st July, 2017

Sonu Jain
Partner
Membership No.:060015



INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("the act") with the respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B. 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.
 - ii) There are no long term contracts including derivative contracts, requiring provision for material foreseeable losses, under the applicable law or accounting standards; and
 - iii) The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosure in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November , 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company. Refer Note 25 to the financial statements.

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership No.:060015

Place: Kolkata

Date: 10th May, 2017



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1 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 Company 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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses 3(iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, 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.
- (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, Wealth Tax, Service Tax, Custom Duty, Excise Duty Cess and other statutory dues to the extent applicable to it.
According to information and explanations given to us, no undisputed amounts payable in respect of the Service Tax, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- b) According to information and explanation given to us, there are no dues of Service Tax, Income Tax, Sales Tax, Custom Duty and Cess which has not been deposited on account of any dispute other than disclosed in notes of accounts.
- (viii) (viii) The Company has not taken any loan from financial institution or banks as such question of default in repayment of dues to a financial institutions & banks does not arise.
- (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 managerial 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: 10th May, 2017



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2(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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY 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 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 RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. 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 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 procedures 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, 2017, 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.

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership No.:060015

Place: Kolkata

Date: 10th May, 2017



BALANCE SHEET AS AT 31ST MARCH, 2017

SI No.	PARTICULARS	NOTES	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
I	EQUITY AND LIABILITIES			
1	Shareholder's Fund			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	(24,646,425.60)	(25,382,737.03)
			533,093,574.40	532,357,262.97
2	Non-Current Liabilities			
(a)	Other Long Term Liabilities	4	1,210,379.09	1,863,233.09
			1,210,379.09	1,863,233.09
3	Current Liabilities			
(a)	Trade Payables	5	3,217,776.22	1,559,074.05
(b)	Other Current Liabilities	6	300,253.96	233,890.96
(c)	Short-term Provisions	7	181,390.00	41,086.00
			3,699,420.18	1,834,051.01
	Total		538,003,373.67	536,054,547.08
II	ASSETS			
1	Non-Current Assets			
(a)	Fixed Assets	8		
i)	Tangible Assets		530,712.29	277,806.57
ii)	Intangible Assets		244,046,805.03	244,146,076.03
			244,577,517.32	244,423,882.60
(b)	Non-Current Investments	9	60,605,053.96	208,628,765.55
(c)	Long Term Loans & Advances	10	68,209,284.90	68,048,007.05
(d)	Other Non-Current Assets	11	8,316,492.75	9,047,513.14
			381,708,348.93	530,148,168.34
2	Current Assets			
(a)	Trade Receivables	12	1,435,960.14	140,389.58
(b)	Cash and Bank Balances	13	3,090,214.17	4,475,375.77
(c)	Short Term Loans & Advances	14	151,768,850.43	1,290,613.39
			156,295,024.74	5,906,378.74
	Total		538,003,373.67	536,054,547.08
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 31		

In terms of our separate report of even date

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 10th May, 2017

For and on behalf of the Board

Ajay Agarwal

Chairman

Dipak Patra

Chief Financial Officer

Arpita Gupta

Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

SI No.	PARTICULARS	NOTES	For the year ended 31.03.2017 Amount (₹)	For the year ended 31.03.2016 Amount (₹)
I	INCOME			
	Revenue From Operations			
	<u>Sale of Software Services (ITES)</u>			
	- Exports		8,320,950.63	5,942,046.24
	- Domestic		14,435,559.87	7,629,777.79
	<u>Sale of Hardware</u>		-	7,100.00
	Other Income	15	2,164,586.87	1,242,438.32
	Total Income		24,921,097.37	14,821,362.35
II	EXPENSES			
	Purchase (Software & Service)		9,379,677.82	5,205,900.63
	Computer Hardware Purchase		-	7,200.00
	Employee Benefits Expense	16	5,310,271.00	3,930,879.00
	Depreciation	8	327,941.28	375,760.00
	Other Expenses	17	9,166,895.84	5,086,007.23
	Total Expenses		24,184,785.94	14,605,746.86
III	Profit / (Loss) before tax (I-II)		736,311.43	215,615.49
IV	Tax expense:			
	Current tax		-	-
V	Profit / (Loss) after tax (III - IV)		736,311.43	215,615.49
VI	Earning per equity share- par value of Rs 10 per share			
	Basic & Diluted		0.013	0.004
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 31		
	In terms of our separate report of even date			

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 10th May, 2017

For and on behalf of the Board

Ajay Agarwal

Chairman

Dipak Patra

Chief Financial Officer

Arpita Gupta

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

SI No.	PARTICULARS	For the year ended 31.03.2017		For the year ended 31.03.2016	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I.	CASH FLOWS				
1	From Operating Activities				
	(a) Net Profit / (Loss) before tax from Operating Activities		736,311.43		215,615.49
	Adjustments:				
	Depreciation and amortisation	327,941.28		375,760.00	
	Interest Income	(2,173,985.88)		1,241,053.87	
	Dividend Income	(1,033.00)		(1,033.00)	
	Profit on Investment (in partnership firm)	(535.41)		(324.63)	
	Sundry Balance written off	(14,663.42)		8,236.96	
			(1,862,276.43)		(858,414.54)
	Operating Profit/ Loss before working capital changes		(1,125,965.00)		(642,799.05)
	(b) Working Capital changes:				
	Decrease/ (Increase) in trade receivables	(1,295,570.56)		425,570.42	
	Decrease/ (Increase) in short-term loans & advances	(150,478,237.04)		(759,295.96)	
	Decrease/ (Increase) in other current assets	-		-	
	Increase/ (Decrease) in Trade Payables	1,658,702.16		(519,412.73)	
	Increase/ (Decrease) in other current liabilities	66,363.00		(2,087.33)	
	Increase/ (Decrease) in provisions	140,304.00	(149,908,438.44)	41,086.00	(814,139.60)
	Cash generated from Operating Activities		(151,034,403.44)		1,456,938.65
	Income Taxes Paid		-		-
	Net Cash from Operating Activities	Total of (1)	(151,034,403.44)		(1,456,938.65)
2	From Investing Activities				
	Purchase of Fixed Assets	(481,576.00)		(448,814.00)	
	Purchase/Sale of Investment	148,702,500.00		-	
	Decrease/(Increase) in other long term loans & advances	(161,277.85)		(3,488,568.25)	
	Decrease/(Increase) in other Non Current Assets	731,020.39		4,784,606.00	
	Increase/ (Decrease) in Other Long Term liabilities	(652,854.00)		(500,000.00)	
	Dividend received	1,033.00		1,033.00	
	Interest received	2,173,985.88		1,241,053.87	
	Other income	14,663.42		(8,236.96)	
	Investment in Partnership Firm	(678,788.41)		(324.63)	
	Profit on Investment (In partnership firm)	535.41		324.63	
	Net Cash from Investing Activities	Total of (2)	149,649,241.84		1,581,073.66
3	From Financing Activities				
	Total of (3)		-		-
II.	Net (decrease)/increase in Cash and Bank Balances (I-II)				
	Total Cash flows (1+2+3)		(1,385,161.60)		124,135.01
	Add: Cash and Bank Balances at the beginning of the period		4,475,375.77		4,351,240.76
III.	Cash and Bank Balances at the end of the period (Refer Note 13)		3,090,214.17		4,475,375.77

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

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

For and on behalf of the Board

Ajay Agarwal
Chairman

Arpita Gupta
Director

Dipak Patra
Chief Financial Officer

Place : Kolkata
Dated : 10th May, 2017



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1) SIGNIFICANT ACCOUNTING POLICIES

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

a) Method of Accounting :

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

b) Use of Estimates :

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

c) Revenue/Expenses recognition :

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

d) Fixed Assets :

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

e) Intangibles :

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.

f) Depreciation :

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

g) Investments:

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

h) Foreign Currency Transaction :

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



i) Provisions, Contingent liabilities and Contingent assets:

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

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

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

j) Employee Benefit:

Defined Contribution plans :

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

k) Earnings Per share:

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

l) Cash and Cash Equivalents:

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



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
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NOTE - 2

SHARE CAPITAL

Authorised

60,000,000 Equity Shares of Rs.10 each	600,000,000.00	600,000,000.00
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Issued, Subscribed and Paid-up

55,774,000 Equity Shares of Rs.10 each	557,740,000.00	557,740,000.00
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i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars

Equity Shares :

(a) Number of shares:

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

(b) Share Capital:

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

ii) Terms / Rights attached to Equity Shares:

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

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

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



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
NOTE - 3		
RESERVES & SURPLUS		
i) Capital Reserves		
Opening Balance	10,000.00	10,000.00
Closing Balance	10,000.00	10,000.00
ii) Surplus		
Opening Balance	(25,392,737.03)	(25,608,352.52)
Add: Net Profit for the year	736,311.43	215,615.49
Closing Balance	(24,656,425.60)	(25,392,737.03)
Total	(24,646,425.60)	(25,382,737.03)
NOTE - 4		
OTHER LONG TERM LIABILITIES		
Others	1,210,379.09	1,863,233.09
	1,210,379.09	1,863,233.09
NOTE - 5		
TRADE PAYABLES		
i) Salary Payable	1,042,567.00	515,896.00
ii) Service Provider Charges Payable	39,703.00	38,159.00
iii) Expenses Payable	1,815,006.22	684,519.05
iv) Other Payables	320,500.00	320,500.00
	3,217,776.22	1,559,074.05
NOTE - 6		
OTHER CURRENT LIABILITIES		
i) Trade Advances	206,150.23	206,917.00
ii) Statutory Payables	94,103.73	26,973.96
	300,253.96	233,890.96
NOTE - 7		
SHORT TERM PROVISIONS		
Provision for taxation (net)	181,390.00	41,086.00
	181,390.00	41,086.00

LEE & NEE SOFTWARES (EXPORTS) LTD.

NOTE 8 - FIXED ASSETS

NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

Amount (₹)

PARTICULARS		GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at 01.04.2016	Addition During the year	Sales/Adj. during the year	As at 31.03.2017	As at 01.04.2016	During the Year	As at 31.03.2017	As at 31.03.2016
(i) TANGIBLE ASSETS								
Leasehold Premises	6,187,500.00	-	-	6,187,500.00	6,187,500.00	-	6,187,500.00	-
Plant and Equipment								
Computers	2,733,285.83	289,289.00	-	3,022,574.83	2,566,215.97	159,768.59	2,725,984.56	296,590.27
Others	916,902.00	28,511.00	-	945,413.00	861,407.13	16,122.00	877,529.13	67,883.87
Access Control System	15,580.50	-	-	15,580.50	14,801.27	-	14,801.27	779.23
Air Condition	79,202.52	163,776.00	-	242,978.52	77,618.41	44,573.00	122,191.41	1,584.11
UPS	26,381.39	-	-	26,381.39	23,386.79	1,527.35	24,914.14	1,467.25
<u>Networking Equipment</u>								
Head Sets	67,080.00	-	-	67,080.00	63,726.41	-	63,726.41	3,353.59
Other Equipment	251,519.00	-	-	251,519.00	226,745.64	3,673.00	230,418.64	21,100.36
Furniture & Fittings								
Furniture & Fixtures	409,666.56	-	-	409,666.56	387,909.61	3,006.34	390,915.95	18,750.61
Total of Current Year	10,687,117.80	481,576.00	-	11,168,693.80	10,409,311.23	228,670.28	10,637,981.51	277,806.57
Total of Previous Year	10,628,303.80	58,814.00	-	10,687,117.80	10,287,881.23	121,430.00	10,409,311.23	277,806.57
(ii) INTANGIBLE ASSETS								
Goodwill	243,934,700.78	-	-	243,934,700.78	-	-	-	243,934,700.78
Computer Software	1,478,612.24	-	-	1,478,612.24	1,267,236.88	99,271.00	1,366,507.88	211,375.36
Total of Current Year	245,413,313.02	-	-	245,413,313.02	1,267,236.88	99,271.00	1,366,507.88	244,046,805.03
Total of Previous Year	245,023,313.02	390,000.00	-	245,413,313.02	1,012,906.88	254,330.00	1,267,236.88	244,146,076.03
TOTAL (₹)	256,100,430.82	481,576.00	-	256,582,006.82	11,676,548.11	327,941.28	12,004,489.39	244,577,517.32
TOTAL OF PREVIOUS YEAR	255,651,616.82	448,814.00	-	256,100,430.82	11,300,788.11	375,760.00	11,676,548.11	244,423,882.60
								244,350,828.71


NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017
NOTE - 9 : NON CURRENT INVESTMENTS
LONG TERM INVESTMENTS AT COST, UNLESS OTHERWISE SPECIFIED
1. QUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

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

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

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

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

10000	3,614,700.00	Lensel Web Services Pvt. Ltd. (Rs. 100 each)	10000	3,614,700.00
36200	29,637,850.71	Rituraj Shares Broking Pvt. Ltd.(Rs.100 each)	36200	29,637,850.71
<u>54731</u>	<u>182,867,385.71</u>		<u>46556</u>	<u>33,264,885.71</u>
<u>55296</u>	<u>182,871,856.24</u>	Total	<u>47121</u>	<u>33,269,356.24</u>

Total Cost of Quoted Investments	Rs. 6720.53	(Previous Year Rs. 6720.53)
Total Cost of Unquoted Investments	Rs. 33264885.71	(Previous Year Rs.182867385.71)
Market Value of Quoted Investments	Rs. 29890.50	(Previous Year Rs. 28212.50)

INVESTMENT IN MUTUAL FUND :

PREVIOUS YEAR		NAME OF THE MUTUAL FUND	CURRENT YEAR	
No. of Units	Amount (₹)		No. of Units	Amount (₹)
-	-	ICICI Pru Balance Advantage Fund	12525.332	360,000.00
-	-	UTI Floating rate Fund	208.596	540,000.00
-	-		<u>12733.928</u>	<u>900,000.00</u>

INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS

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

Amount (₹)		Amount (₹)
	Investment in Partnership Firm	
	M.M. International	
25,754,659.31	(Other Partner: Mahesh Gupta) (Share of Profit - 50%)	26,433,447.72
	Total Capital: Rs.(5173700.75)	
25,754,659.31		26,433,447.72
208,628,765.55	GRAND TOTAL	60,605,053.96



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
NOTE - 10		
LONG TERM LOANS & ADVANCES		
(Unsecured-Considered Good)		
i) Loans (Interest accrued thereon)	19,374,412.00	20,008,768.00
ii) Advances recoverable in cash or in kind or value to be received	47,449,763.99	47,340,436.79
iii) Security Deposits	261,785.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	586,089.66	81,173.01
b) Minimum Alternate Tax Credit entitlement	537,234.00	355,844.00
	<u>68,209,284.90</u>	<u>68,048,007.05</u>
NOTE - 11		
OTHER NON CURRENT ASSETS		
Trade Receivables (Unsecured, Considered Good)	<u>8,316,492.75</u>	<u>9,047,513.14</u>
NOTE - 12		
TRADE RECEIVABLES		
(Unsecured-Considered Good)		
1. Outstanding for a period exceeding six months from the due date of payment	1,100.00	84,515.00
2. Other Debts	1,434,860.14	55,874.58
	<u>1,435,960.14</u>	<u>140,389.58</u>
NOTE - 13		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
i) Balance with Banks		
In Current Account	201,231.12	(249,209.51)
Other Bank Balances:		
Bank Deposits	1,725,578.30	1,546,565.33
	<u>1,926,809.42</u>	<u>1,297,355.82</u>
ii) Cash-on-Hand	1,163,404.75	3,178,019.95
	<u>3,090,214.17</u>	<u>4,475,375.77</u>
NOTE - 14		
SHORT TERM LOANS & ADVANCES		
(Unsecured-Considered Good)		
Other Advances		
i) Trade Advances	149,655,445.52	96,837.39
ii) Security Deposit	60,000.00	100,000.00
iii) Minimum Alternate Tax Credit entitlement	-	41,086.00
iv) Balance with statutory / government authorities	2,053,404.91	1,052,690.00
	<u>151,768,850.43</u>	<u>1,290,613.39</u>


NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	For the year ended 31.03.2017 Amount (₹)	For the year ended 31.03.2016 Amount (₹)
NOTE - 15		
OTHER INCOME		
i) Interest Income:		
from others	2,032,710.00	1,085,045.00
from Bank Deposits	141,275.88	156,008.87
ii) Other Non Operating Income		
Other Income (includes share of profit of M.M. International: Rs. 535.41)	(9,399.01)	1,384.45
	<u>2,164,586.87</u>	<u>1,242,438.32</u>
NOTE - 16		
EMPLOYEE BENEFITS EXPENSE		
Salary	4,972,303.00	3,630,475.00
Staff Welfare	329,671.00	299,204.00
Contribution to Provident Fund & Other Funds	8,297.00	1,200.00
	<u>5,310,271.00</u>	<u>3,930,879.00</u>
NOTE - 17		
OTHER EXPENSES		
Power & Fuel	958,335.00	924,278.00
Maintenance Expense	258,516.00	254,973.00
<u>Repairs & Maintenance</u>		
Others	38,848.00	39,392.04
Rates & taxes	17,814.00	16,248.00
Advertisement & Publicity	18,720.00	42,156.80
Annual Maintenance Charge	2,500.00	30,500.00
Business Promotion Expense	128,421.00	231,000.00
Legal Expense	8,600.00	308,250.00
Consultancy Charges	1,029,718.60	81,848.00
Cost to Investment Expense	1,575.00	750.00
<u>Communication Expenses</u>		
Telephone Expense	489,310.06	239,911.03
Bank Charges & Commission	23,911.09	9,257.94
Consumables	72,550.00	133,208.57
Software Development Expense - Oracle	2,854,300.00	-
Travelling Expense	850,326.06	448,747.04
Contract for Software development	516,000.00	567,000.00
Paypal Charges	232,877.05	195,185.54
Penalty on Swachh Bharat Cess	-	2,298.00
Penalty on Service Tax	1,400.00	83.00
Swachh Bharat Cess Expense	25,947.43	7,710.84
Director Sitting Fees	20,670.00	13,667.00
Other Expenses	444,789.55	455,348.43
<u>Statutory Expenses</u>		
Postage for AGM	266,724.00	239,505.00
Printing & Stationery AGM	385,000.00	315,400.00
Share Transfer Fees	51,143.00	41,545.00
Other Statutory Expenses	451,900.00	445,244.00
<u>Auditors Remuneration</u>		
As Audit Fee	17,000.00	42,500.00
	<u>9,166,895.84</u>	<u>5,086,007.23</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

18. 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.
19. 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.
20. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. The above investments being strategic in nature and diminution in the value of said investments being temporary in nature, no provision against this is required in the accounts.
21. The Company's business activity falls within a single primary business segment i.e. Software business and therefore, the disclosure requirement of Accounting Standard -17 "Segment Reporting" is not applicable.
22. In the opinion of the Board and to the best of their knowledge and belief, Trade Receivables, Loans and Advances have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and are subject to confirmations by the respective parties.
23. 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.

24. EarningsPer Share (EPS)

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

Particulars	2016-17 (₹)	2015-16 (₹)
Profit/Loss after tax	736311.43	215615.99
Profit/Loss attributable to Equity Shareholders	736311.43	215615.99
No of equity shares outstanding during the year	55774000	55774000
Nominal Value of Equity Shares (Rupees)	10	10
Basic & Diluted EPS	0.013	0.004

25. The Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30thDecember, 2016 is as under

Particulars	SBN's	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	1274500	347830.75	1622330.75
(+) Permitted receipts	-	325250.00	325250.00
(-) Permitted payments	-	39388.00	39388.00
(-) Amount deposited in Banks	1274500	-	1274500.00
Closing cash in hand as on 30.12.2016	-	633692.75	633692.75

26. Employee Benefits:

Defined Contribution Plan

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

Employer's Contribution to Provident Fund	1200	1200.00
Employer's Contribution to Employee State Insurance	9785	NIL

27. CIF Value of Imports: NIL NIL
28. Expenditure in Foreign Currency:
Communication & Wire Charges NIL NIL
29. Earning in Foreign Exchange
Export on FOB basis 8320950.63 5942046.24



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

30. Related Parties disclosures

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

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

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

iii) Payment To Key Managerial Personnel

Sushil Kumar Gupta	Director Sitting Fees	Rs. 8000.00
Leela Murjani	Director Sitting Fees	Rs. 10000.00
Pritika Gupta	Salary	Rs. 186000.00

iv) Loans to wholly owned subsidiary

Name of the Company	Particulars	As at 31.03.2017 Amount (₹)	As at 31.03.2016 Amount (₹)
Lensel Web Services Pvt. Ltd	For the business purpose	43,449,763.99	43,340,436.79

v) Trade Receivables

Name of the Parties	As at 31.03.2017 Amount (₹)	As at 31.03.2016 Amount (₹)
Leena Consultancy	4,683,212.00	4,683,212.00
Rituraj Shares & Securities Ltd.	-	731,020.39
Rituraj Shares & Securities	3,462,886.09	3,462,886.09

vi) Trade Liability

Name of the Parties	As at 31.03.2017 Amount (₹)	As at 31.03.2016 Amount (₹)
S M Gupta & Co.	-	596,322.00

31. Comparative Figures

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

In terms of our separate report of even date annexed.

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

For and on behalf of the Board

Sonu Jain

Partner

Membership Number: 060015

Ajay Agarwal

Chairman

Arpita Gupta

Director

Place : Kolkata

Dated : 10th May, 2017

Dipak Patra

Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

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

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of M/s LEE & NEE SOFTWARES (EXPORTS) LTD. ("the Company") and its subsidiaries (the Company and its subsidiaries constitute 'the Group') which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as the consolidated financial statements.)

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account, the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit 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 consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit of the aforesaid consolidated financial statements.



- b. In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated 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 and the Consolidated Cash flow Statement dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Group Company is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
- 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 Auditor's) 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 position.
 - ii) There are no long term contracts including derivative contracts, requiring provision for material foreseeable losses, under the applicable law or accounting standards; and
 - iii) The 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.
 - iv. The Group has provided requisite disclosure in its consolidated financial statements as regards to the holding and dealings in specified Bank Notes as defined in the Notification S.O.3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management's representations, we report that the disclosures are in accordance with the books of accounts maintained by the company and subsidiary companies. (Refer Note 30 to the "Consolidated Financial Statements.")

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership No.:060015

Place: Kolkata

Date: 10th May, 2017

ANNEXURE A TO THE AUDITOR'S REPORT

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 financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Lee & Nee Softwares (Exports) Limited. (hereinafter referred to as "the Holding Company"), and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility 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.



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 controls 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 control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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; 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, 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 2017, 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.

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

Sonu Jain
Partner

Place: Kolkata
Date: 10th May, 2017

Membership No.:060015


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Sl No.	PARTICULARS	NOTES	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
I	EQUITY AND LIABILITIES			
1	Shareholder's Fund			
(a)	Share Capital	2	557,740,000.00	557,740,000.00
(b)	Reserves & Surplus	3	(9,813,223.59)	(10,838,398.69)
			547,926,776.41	546,901,601.31
2.	Non-Current Liabilities			
	Other Long Term Liabilities	4	44,907,075.28	45,317,060.88
			44,907,075.28	45,317,060.88
3.	Current Liabilities			
(a)	Trade Payables	5	4,648,853.54	2,004,891.27
(b)	Other Current Liabilities	6	1,092,458.96	1,262,868.10
(c)	Short-term Provisions	7	284,016.00	77,408.00
			6,025,328.50	3,345,167.37
	Total		598,859,180.20	595,563,829.57
II.	ASSETS			
1.	Non-Current Assets			
(a)	Fixed Assets	8		
	i) Tangible Assets		904,082.11	622,037.01
	ii) Intangible Assets		244,046,805.03	244,146,076.03
			244,950,887.14	244,768,113.04
(b)	Non-Current Investments	9	29,857,146.46	177,880,858.05
(c)	Long Term Loans & Advances	10	119,081,858.28	119,469,028.86
(d)	Other Non-Current Assets	11	30,314,883.93	30,985,452.89
			424,204,775.81	573,103,452.84
2.	Current Assets			
(a)	Current Investments	12	15,595,093.16	1,969,446.00
(b)	Trade Receivables	13	1,989,862.29	193,434.58
(c)	Cash and Bank Balances	14	4,789,842.82	18,509,638.47
(d)	Short Term Loans & Advances	15	152,260,576.52	1,523,273.25
(e)	Other Current Assets	16	19,029.60	264,584.43
			174,654,404.39	22,460,376.73
	Total		598,859,180.20	595,563,829.57
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 36		
	In terms of our separate report of even date			

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 10th May, 2017

For and on behalf of the Board

Ajay Agarwal

Chairman

Dipak Patra

Chief Financial Officer

Arpita Gupta

Director



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

SI No.	PARTICULARS	NOTES	For the year ended 31.03.2017 Amount (₹)	For the year ended 31.03.2016 Amount (₹)
I	INCOME			
	Revenue From Operations			
	<u>Sale of Software Services (ITES)</u>			
	- Exports		8,320,950.63	5,942,046.24
	- Domestic		21,432,366.26	15,395,439.70
	MTM Profit Loss		1,134,925.27	53,267.66
	Comission on Introduction		46,184.52	-
	Commission on Mutual Fund		86,322.33	-
	Speculation Income		8,440.78	3,703.87
	Short Term Capital Gain		(91,247.12)	11,936.15
	Dividend Income		461,775.14	-
	<u>Sale of Hardware</u>		-	7,100.00
	Other Income	17	3,623,338.95	3,054,345.62
	Total Income		35,023,056.76	24,467,839.24
II	EXPENSES			
	Purchases	18	9,941,708.76	5,742,005.35
	Computer Hardware Purchase		-	7,200.00
	Employee Benefits Expense	19	10,132,069.00	6,774,938.00
	Depreciation	20	352,506.90	391,148.00
	Other Expenses	21	13,506,313.00	11,220,233.37
	Total Expenses		33,932,597.66	24,135,524.72
III	Profit before tax (I-II)		1,090,459.10	332,314.52
IV	Tax expense:			
	Current tax		65,284.00	-
V	Profit after tax (III - IV)		1,025,175.10	332,314.52
VI	Earning per equity share- par value of Rs 10 per share			
	Basic & Diluted		0.018	0.006
	Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements	2 to 36		

In terms of our separate report of even date

For Jain Sonu and Associates

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 10th May, 2017

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Sl No.	PARTICULARS	For the year ended 31.03.2017		For the year ended 31.03.2016	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
I.	CASH FLOWS				
1.	From Operating Activities				
	(a) Net Profit before tax from Operating Activities		1,090,459.10		332,314.52
	Adjustments:				
	Depreciation and amortisation	352,506.90		391,148.00	
	Interest Income	(3,626,737.96)		(3,021,098.85)	
	Other Income	-		(3,825.49)	
	Dividend Income	(461,775.14)		(19,196.00)	
	Profit on sale of Investment	91,247.12		(11,936.15)	
	Profit on Investment (in partnership firm)	(535.41)		(324.63)	
	Sundry Balance written off	6,000.00		7,658.79	
			(3,651,294.49)		(2,657,574.33)
	Operating Profit/ Loss before working capital changes		(2,560,835.39)		(2,325,259.81)
	(b) Working Capital changes:				
	Decrease/ (Increase) in trade receivables	(1,796,427.71)		399,399.42	
	Decrease/ (Increase) in Current invetsemnts	(13,625,647.16)		621,430.62	
	Decrease/ (Increase) in short-term loans & advances	(150,737,303.27)		(819,684.31)	
	Decrease/ (Increase) in other current assets	245,554.83		(66,798.88)	
	Increase/ (Decrease) in Trade Payables	2,643,962.27		(213,621.13)	
	Increase/ (Decrease) in other current liabilities	(170,409.15)		(685,253.19)	
	Increase/ (Decrease) in provisions	206,608.00	(163,233,662.19)	77,408.00	(687,119.47)
	Cash generated from Operating Activities		(165,794,497.58)		(3,012,379.28)
	Income Taxes paid		(65,284.00)		-
	Net Cash from Operating Activiites	Total of (1)	(165,859,781.58)		(3,012,379.28)
2.	From Investing Activities				
	Purchase/Sale of Fixed Aseets	(535,281.00)		(448,814.00)	
	Purchase/Sale of Investment	147,344,923.18		-	
	Decrease in other long term loans & advances	387,170.58		(7,774,959.25)	
	Decrease in other non-current assets	670,568.97		6,760,421.00	
	Increase/ (Decrease) in Other Long Term laibilities	(409,985.60)		3,025,663.58	
	Dividend received	461,775.14		19,196.00	
	Interest received	3,626,737.96		3,021,098.85	
	Other income	-		3,825.49	
	Investment in Partnership Firm	678,788.41		(324.63)	
	Sundry Balance written off	6,000.00		(7,658.79)	
	Profit on Investment (In partnership firm)	535.41		324.63	
	Profit on sale of Investment	(91,247.12)		11,936.15	
	Net Cash from Investing Activiites	Total of (2)	(152,139,985.93)		(4,610,709.03)
3.	From Financing Activities				
			-		-
	Total of (3)		-		-
II.	Net (decrease)/increase in Cash and Bank Balances (I-II)		(13,719,795.65)		1,598,329.75
	Total Cash flows (1+2+3)				
	Add: Cash and Bank Balances at the beginning of the period		18,509,638.47		16,911,308.72
III.	Cash and Bank Balances at the end of the period (Refer Note 14)		4,789,842.82		18,509,638.47

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

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

Place : Kolkata

Dated : 10th May, 2017

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Dipak Patra

Chief Financial Officer



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1.1 PRINCIPLES ON CONSOLIDATION

- A) The Consolidated Financial Statements consist of Lee & Nee Softwares (Exports) Ltd. ("the Company") and its Subsidiaries (collectively referred to "the Group"). The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 ' Consolidated Financial Statements' prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- i) The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating all significant intra group transactions / balances.
 - ii) The difference between the cost of investment in the Subsidiaries and the Groups' share of net assets at the time of acquisition of shares in the Subsidiaries is recognized in the financial statement as Goodwill or Capital reserve, as the case may be.
 - iii) The Consolidated Financial Statement have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the Company's separate financial statements.
 - iv) The financial Statement of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company.
- B) The list of Subsidiary Companies considered in the Consolidated Financial Statements are as follows:

Name of the Subsidiary Companies	Country of Incorporation	Financial year ended	Holding Company's Interest
Rituraj Shares Broking Pvt. Ltd	India	31.03.2017	100.00%
Lensel Web Services Pvt. Ltd.	India	31.03.2017	100.00%

1.2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Group are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 as applicable, read with rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on a going concern basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

a) Method of Accounting :

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

b) Use of Estimates :

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

c) Revenue/Expenses recognition :

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



d) Fixed Assets :

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

e) Depreciation :

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

f) Intangibles :

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.

g) Investments:

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

h) Foreign Currency Transaction :

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

i) Provisions, Contingent liabilities and Contingent assets:

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

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

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

j) Employee Benefit:

Defined Contribution plans :

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

k) Earnings Per share:

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

l) Cash and Cash Equivalents

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

m) Contingent Liabilities

Contingent liabilities are not provided for in the accounts and are separately disclosed in the financial statements.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
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NOTE - 2

SHARE CAPITAL

Authorised

60,000,000 Equity Shares of Rs.10 each	<u>600,000,000.00</u>	<u>600,000,000.00</u>
--	-----------------------	-----------------------

Issued, Subscribed and Paid-up

55,774,000 Equity Shares of Rs.10 each	<u>557,740,000.00</u>	<u>557,740,000.00</u>
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i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars

Equity Shares :

(a) Number of shares:

Shares outstanding at the beginning of the year	<u>55,774,000.00</u>	<u>55,774,000.00</u>
Shares outstanding at the end of the year	<u>55,774,000.00</u>	<u>55,774,000.00</u>

(b) Share Capital:

Shares outstanding at the beginning of the year	<u>557,740,000.00</u>	<u>557,740,000.00</u>
Shares outstanding at the end of the year	<u>557,740,000.00</u>	<u>557,740,000.00</u>

ii) Terms / Rights attached to Equity Shares:

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

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

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017 Amount (₹)	AS AT 31.03.2016 Amount (₹)
NOTE - 3		
RESERVES & SURPLUS		
i) Capital Reserves		
Opening Balance	13,582,487.13	13,582,487.13
Closing Balance	13,582,487.13	13,582,487.13
ii) Surplus		
Opening Balance	(24,420,885.82)	(24,753,200.34)
Add: Net Profit for the year	1,025,175.10	332,314.52
Closing Balance	(23,395,710.72)	(24,420,885.82)
Total	(9,813,223.59)	(10,838,398.69)
NOTE - 4		
OTHER LONG TERM LIABILITIES		
Others		
i) Trade Advances	43,678,696.19	43,435,827.79
ii) Others	1,228,379.09	1,881,233.09
	44,907,075.28	45,317,060.88
NOTE - 5		
TRADE PAYABLES		
i) Salary Payable	1,347,323.00	710,041.00
ii) Service Provider Charges Payable	39,703.00	38,159.00
iii) Expenses Payable	2,912,643.31	902,850.78
iv) Other Payables	349,184.23	353,840.49
	4,648,853.54	2,004,891.27
NOTE - 6		
OTHER CURRENT LIABILITIES		
i) Trade Advances	928,881.23	1,156,565.55
ii) Statutory Payables	163,577.73	106,302.55
	1,092,458.96	1,262,868.10
NOTE - 7		
SHORT TERM PROVISIONS		
Provision for taxation	284,016.00	77,408.00
	284,016.00	77,408.00

LEE & NEE SOFTWARES (EXPORTS) LTD.

NOTE 8 - FIXED ASSETS

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2016	Addition during the year	Sales/Adj. during the year	As at 31.03.2017	As at 01.04.2016	During the Year	As at 31.03.2017	As at 31.03.2016
(i) TANGIBLE ASSETS								
Leasehold Premises	6,187,500.00	-	-	6,187,500.00	6,187,500.00	-	-	-
Building	505,801.18	-	-	505,801.18	222,212.52	14,297.62	269,291.04	283,588.66
<u>Plant and Equipment</u>								
Computers	3,008,480.83	333,494.00	-	3,341,974.83	2,829,920.95	166,270.59	345,783.29	178,559.88
Others	1,107,517.71	28,511.00	-	1,136,028.71	1,042,491.43	16,122.00	77,415.28	65,026.28
Card Access Control	83,939.15	-	-	83,939.15	79,741.91	-	4,197.24	4,197.24
Access Control System	15,580.50	-	-	15,580.50	14,801.27	-	779.23	779.23
Air Condition	442,829.77	163,776.00	-	606,605.77	423,064.37	44,573.00	138,968.40	19,765.40
Printer	15,856.00	-	-	15,856.00	15,062.80	-	793.20	793.20
Refrigerator	-	9,500.00	-	9,500.00	-	3,766.00	5,734.00	-
UPS	53,631.39	-	-	53,631.39	49,274.01	1,527.35	2,830.03	4,357.38
<u>Networking Equipment</u>								
Networking Equipment	32,135.88	-	-	32,135.88	32,135.88	-	-	-
Head Sets	79,919.00	-	-	79,919.00	63,726.41	-	16,192.59	16,192.59
Other Equipment	238,680.00	-	-	238,680.00	226,745.64	3,673.00	8,261.36	11,934.36
Telephone	11,200.00	-	-	11,200.00	10,640.14	-	559.86	559.86
Plant & Machinery(Comp)	125,702.50	-	-	125,702.50	123,884.90	-	1,817.60	1,817.60
<u>Furniture & Fittings</u>								
Furniture & Fixtures	663,832.46	-	-	663,832.46	629,367.14	3,006.34	31,459.12	34,465.32
Total of Current Year	12,572,606.37	535,281.00	-	13,107,887.37	11,950,569.24	253,235.90	904,082.24	622,037.00
Total of Previous Year	12,513,792.37	58,814.00	-	12,572,606.37	11,813,751.38	136,818.00	622,037.00	700,041.00
(ii) INTANGIBLE ASSETS								
Goodwill	243,934,700.78	-	-	243,934,700.78	-	-	243,934,700.78	243,934,700.78
Computer Software	1,478,612.24	-	-	1,478,612.24	1,267,236.88	99,271.00	112,104.36	211,375.36
Total of Current Year	245,413,313.02	390,000.00	-	245,413,313.02	1,267,236.88	99,271.00	244,046,805.14	244,146,076.14
Total of Previous Year	245,023,313.02	390,000.00	-	245,413,313.02	1,012,906.88	254,330.00	244,146,076.04	244,010,406.14
TOTAL (₹)	257,985,919.39	535,281.00	-	258,521,200.39	13,217,806.12	352,506.90	244,950,887.38	244,768,113.14
TOTAL OF PREVIOUS YEAR	257,537,105.39	448,814.00	-	257,985,919.39	12,826,658.26	391,148.00	244,768,113.14	244,710,447.14


NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017
NOTE - 9 : NON CURRENT INVESTMENTS
LONG TERM INVESTMENTS AT COST, UNLESS OTHERWISE SPECIFIED
1. QUOTED : OTHER THAN TRADE : AT COST
INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

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

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

106	2,120.00	Enkay Texofood Ltd.	106	2,120.00
50	1,500.00	PCS Data Products Ltd.	50	1,500.00
100	515.00	Neena Consultants Ltd.	100	515.00
8,175	149,602,500.00	Shreepati Infra Reality Ltd.	-	-
100	8,200.00	Philips India Ltd.	100	8,200.00
26,905	2,503,000.00	Rituraj Shares & Securities Ltd.	26,905	2,503,000.00
<u>35,436</u>	<u>152,117,835.00</u>		<u>27,261</u>	<u>2,515,335.00</u>
36,003	152,123,948.74	Total	27,828	2,521,448.74

Total Cost of Quoted Investments	Rs. 8,363.74	(Previous Year Rs. 8,363.74)
Total Cost of Unquoted Investments	Rs. 35,767,885.71	(Previous Year Rs.152,117,835.00)
Market Value of Quoted Investments	Rs. 23,664.60	(Previous Year Rs. 29,053.20)

INVESTMENT IN MUTUAL FUND :

PREVIOUS YEAR		NAME OF THE MUTUAL FUND	CURRENT YEAR	
No. of Units	Amount (₹)		No. of Units	Amount (₹)
-	-	ICICI Prudential.Balanced Adv Fund	12,525.332	360,000.00
-	-	UTI Floating rate Fund	208.596	540,000.00
<u>-</u>	<u>-</u>		<u>12733.928</u>	<u>900,000.00</u>

Total Cost of Mutual Fund Units	Rs. 900,000.00	(Previous Year Rs. 0.00)
NAV of Fund Units	Rs. 932,589.07	(Previous Year Rs. 0.00)

INVESTMENT IN DEBENTURES(QUOTED) LONG TERM INVESTMENTS

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

Amount (₹)		Amount (₹)
	Investment in Partnership Firm	
	M.M. International	
25,754,659.31	(Other Partner: Mahesh Gupta) (Share of Profit - 50%)	26,433,447.72
	Total Capital: Rs.(5,378,024.57)	
25,754,659.31		26,433,447.72
177,880,858.05	GRAND TOTAL	29,857,146.46



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
	Amount (₹)	Amount (₹)
NOTE - 10		
LONG TERM LOANS & ADVANCES		
(Unsecured-Considered Good)		
i) Loans (Interest accrued thereon)	29,961,243.00	29,508,768.00
ii) Advances recoverable in cash or in kind or value to be received	87,624,032.24	89,214,705.04
iii) Security Deposits	261,785.25	261,785.25
iv) Other Loans & Advances		
a) Receivables from statutory/ government authorities	697,563.79	127,926.57
b) Minimum Alternate Tax Credit entitlement	537,234.00	355,844.00
	<u>119,081,858.28</u>	<u>119,469,028.86</u>

NOTE - 11		
OTHER NON CURRENT ASSETS		
a) Trade Receivables (Unsecured, Considered Good)	30,046,775.50	30,985,452.89
b) Balance with Statutory / Government Authorities	268,108.43	-
	<u>30,314,883.93</u>	<u>30,985,452.89</u>

NOTE - 12
CURRENT INVESTMENTS (AT COST OR MARKET VALUE WHICHEVER IS LOWER)

1. QUOTED : OTHER THAN TRADE INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS : (FULLY PAID UP)

Previous Year		Name of the Company	Current Year	
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)
-	-	Aksh Optifibre Ltd	1000	21,300.00
-	-	Atlas Cycle Ltd	300	125,070.00
-	-	Barak Valley Cements Ltd.	500	12,222.12
-	-	Cupid Ltd.	450	142,853.10
-	-	HBL Power	5000	214,250.00
-	-	ITDC	200	82,202.88
-	-	Jai Corp	1000	73,950.00
-	-	JKIL	1000	227,045.50
-	-	Jubilant Inds	1000	312,200.00
-	-	Texmaco Ltd	1000	92,500.00
-	-	Transport Corp	1000	193,329.38
-	-	Waterbase Ltd	300	26,775.00
-	-	Welspun Ind	4000	343,622.09
-	-	Zicom	2000	70,600.00
1000	214,750.00	ONGC	-	-
1000	70,650.00	Hindalco	-	-
1000	340,700.00	R K Forge	2000	837,823.09
1000	298,400.00	RSWM	-	-
100	97,315.00	Wockhardt Ltd	100	72,000.00
4100	1,021,815.00	Total	20,850	2,847,743.16

2. UNQUOTED: OTHER THAN TRADE INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS: (FULLY PAID UP)

Previous Year		Name of the Company	Current Year	
No. of Shares	Amount (₹)		No. of Shares	Amount (₹)
2550	947,631.00	Haresh Collections Pvt. Ltd.	7250	2,657,350.00
2550	947,631.00	Total	7250	2,657,350.00
	1,969,446.00	GRAND TOTAL		5,505,093.16

Total Cost of Quoted Investments	Rs. 2,923,881.99	(Previous Year Rs. 1,736,614.17)
Market Value of Quoted Investments	Rs. 3,056,749.00	(Previous Year Rs. 1,682,475.00)
Provision for Diminution in value of	Rs. 76,138.83	(Previous Year Rs. 69,567.00)
Total Cost of Unquoted Investments	Rs. 2,657,350.00	(Previous Year Rs. 947,631.00)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2017

INVESTMENT IN MUTUAL FUND :

PREVIOUS YEAR		NAME OF THE MUTUAL FUND	CURRENT YEAR
No. of Units	Amount (₹)	No. of Units	Amount (₹)
-	-	ICICI Pru Balance Advantage Growth	3,124.29
-	-	ICICI Pru Balance Advantage Dividend	723,065.80
-	-		726,190.09
		Amount (₹)	Amount (₹)
		For the year ended	For the year ended
		31.03.2017	31.03.2016

PARTICULARS

NOTE - 13

TRADE RECEIVABLES

(Unsecured-Considered Good)

1. Outstanding for a period exceeding six months from the due date of payment	31,468.00	105,761.00
2. Other Debts	1,958,394.29	87,673.58
	1,989,862.29	193,434.58

NOTE - 14

CASH & BANK BALANCES

Cash & Cash Equivalents

i) Balance with Banks		
In Current Account	417,617.85	(48,276.51)
Other Bank Balances:		
Bank Deposits	2,325,578.30	12,140,187.61
	2,743,196.15	12,091,911.10
ii) Cash-on-Hand	2,046,646.67	6,417,727.37
	4,789,842.82	18,509,638.47

NOTE - 15

SHORT TERM LOANS & ADVANCES

(Unsecured-Considered Good)

(i) Other Advances		
(ii) Trade Advances	149,675,017.94	123,486.39
(iii) Security Deposit	494,811.66	100,000.00
(iv) Minimum Alternate Tax Credit entitlement	7,375.00	77,408.00
Balance with statutory/ government authorities	2,083,371.91	1,222,378.86
	152,260,576.51	1,523,273.25

NOTE - 16

OTHER CURRENT ASSETS

(i) TDS A.Y 2017-18	19,029.60	-
(ii) TDS A.Y 2015-16	-	178,313.00
(iii) Deferred Revenue Expenditure	-	86,271.43
	19,029.60	264,584.43

NOTE - 17

OTHER INCOME

i) Interest Income:		
from others	3,290,301.00	1,985,052.00
from Banks (FD)	336,436.96	1,027,922.85
from IT Refund	-	8,124.00
ii) Business Centre Income	1,033.00	-
iii) Premium (F & O)	-	53,627.66
iv) Profit /Loss on trading in securities	-	3,703.87
v) Short Term Capital Gain	-	1,936.15
vi) Misc Income/Sundry Balance written back	6,000.00	31,502.32
vii) Other Non Operating Income		
Other Income (includes share of profit of M.M. International: Rs.535.41)	(10,432.01)	1,384.45
	3,623,338.95	3,123,253.30

NOTE - 18

PURCHASE

Purchase (Software Service)	9,379,677.82	5,205,900.63
Domain Registration Charges	386,065.85	302,182.21
Hosting Charges Paid	175,965.09	233,922.51
	9,941,708.76	5,742,005.35



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
NOTE - 19		
EMPLOYEE BENEFITS EXPENSE		
Salary	9,402,838.00	6,392,934.00
Bonus	141,500.00	-
Staff Welfare	564,364.00	380,804.00
Contribution to Provident Fund & Other Funds	8,297.00	1,200.00
	10,116,999.00	6,774,938.00
NOTE - 20		
DEPRECIATION EXPENSE		
Depreciation	352,506.90	391,148.00
NOTE - 21		
OTHER EXPENSES		
Power & Fuel	1,020,995.00	986,288.00
Maintenance Expenses	258,516.00	254,973.00
Repairs & Maintenance - Others	61,348.00	39,392.04
Rates & taxes	17,814.00	16,248.00
Advertisement & Publicity	18,720.00	42,156.80
Annual Maintenance Charge	2,500.00	30,500.00
Business Promotion Expenses	319,736.00	378,750.00
Road Show	-	997,170.00
Franchise Exp	10,882.22	-
Legal Expenses	24,600.00	308,900.00
Director Remuneration	120,000.00	120,000.00
Consultancy Charges	1,465,160.60	153,848.00
Customer support	2,041,000.00	2,517,600.00
Contract for Software Development	516,000.00	567,000.00
Cost to Investment Exp	3,586.68	12,701.02
Communication Exp - Telephone Exp.	578,952.06	298,920.77
Bank Charges & Commission	36,835.90	14,667.00
Donation u/s 80G	8,000.00	-
Facebook Exp	16,591.71	-
PPC Exp	10,053.18	-
Software Expenses	58,835.00	56,542.00
Rent	120,000.00	120,000.00
Books & Periodicals	5,250.00	4,990.00
Subscription Charges	78,000.00	72,000.00
Software Development Expenses - Oracle	2,854,300.00	-
Consumables	72,550.00	133,208.57
Travelling Exp	1,028,996.74	499,691.58
Penalty on Services Tax	1,400.00	83.00
Penalty on Swachh Bharat Cess	-	2,298.00
Paypal Charges	232,877.05	195,185.54
Swachh Bharat Cess Expense	25,947.43	7,710.84
Director sitting fees	20,670.00	13,667.00
Demat Charges	5,522.08	3,277.99
Service Tax Expense	1,029.48	3,891.61
Bandwith Charges	116,669.00	200,004.00
Provision for dimunition in the Value of Investment	(87,666.78)	69,567.95
Conveyance	285,608.88	362,595.60
SEBI Registration Fees	1,500.00	1,500.00
Other Expenses	577,999.77	1,253,961.06
Printing & Stationery	389,941.00	369,950.00
<u>Statutory Expenses</u>		
Postage for AGM	266,724.00	239,505.00
Printing & Stationery AGM	385,000.00	315,400.00
Share Transfer Fees	51,143.00	41,545.00
Other Statutory Expenses	455,700.00	455,044.00
Auditors Remuneration - Audit Fee	27,025.00	59,500.00
	13,506,313.00	11,220,233.37



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

22. Contingent liabilities not provided for:

Income Tax demand amounting to Rs. 120186.00 and Rs. 63100.00 for the Assessment Year 2006-07 and 2010-11 respectively pertaining to the subsidiary "Rituraj Shares Broking Pvt. Ltd." being into appeal and other is pending for rectification.

23. Gratuity as per AS-15 has not been provided; it will be accounted for in the year of payment since no obligation had been recognized.

24. Based on the information available with the Company, there 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

25. There is decline in carrying amounts of the long-term investments in shares of certain Ltd Companies. The above investments being strategic in nature and diminution in the value of said investments being temporary in nature, no provision against this is required in the accounts.

26. The Group's business activity falls within a single primary business segment i.e. Software business and therefore, the disclosure requirement of Accounting Standard -17 "Segment Reporting" is not applicable.

27. In the opinion of the Board and to the best of their knowledge and belief, Trade Receivables, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and are subject to confirmations by the respective parties.

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

Minimum Alternate Tax (MAT) 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.

29. Earning Per Share (EPS)

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

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
Profit/Loss after tax	1090459.10	332314.52
Profit/Loss attributable to Equity Shareholders	1025175.10	332314.52
No of equity shares outstanding during the year	55,774,000	55,774,000
Nominal Value of Equity Shares (Rupees)	10	10
Basic & Diluted EPS	0.018	0.006

30. The Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as under :

Particulars	SBN's	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	4281500	777435.67	5058935.67
(+) Permitted receipts	-	681568.00	681568.00
(-) Permitted payments	-	346510.00	346510.00
(-) Amount deposited in Banks	4281500	-	4281500.00
Closing cash in hand as on 30.12.2016	-	1112493.67	1112493.67

31. Employee Benefits:

Defined Contribution Plan	2016-17	2015-16
Contribution to the above plan is recognised for the year as under:		
Employer's Contribution to Provident Fund	Rs. 1200	1200
Employer's Contribution to Employee State Insurance	Rs. 9785	NIL



NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2017

Particulars	2016-17 (₹)	2015-16 (₹)
32. CIF Value of Imports:	NIL	NIL
33. Expenditure in Foreign Currency: Communication & Wire Charges	NIL	NIL
34. Earning in Foreign Exchange: Export on FOB basis	8,320,950.63	5,942,046.24
35. Related Parties disclosure s		
Name of the related parties and related party relationships		
i) Related parties with whom transactions has taken place during the year		
Relatives of Key Management Personnel / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		
S. M. Gupta & Company		
Leena Consultancy		
Rituraj Shares & Securities Ltd.		
Rituraj Shares & Securities		
ii) Payment To Key Managerial Personnel		
Sushil Kumar Gupta	Director Sitting Fees	Rs. 8000.00
Leela Murjani	Director Sitting Fees	Rs. 10000.00
Leela Murjani	Directors Remuneration	Rs. 120000.00
Pritika Gupta	Salary	Rs. 186000.00
iii) Trade Receivables		
Name of the Parties	As at 31.03.2017 Amount (₹)	As at 31.03.2016 Amount (₹)
Leena Consultancy	19,763,567.00	19,763,567.00
Rituraj Shares & Securities Ltd.	-	731,020.39
Rituraj Shares & Securities	9,804,729.84	9,804,729.84
iv) Trade Liability		
S. M. Gupta & Company	-	1,096,322.00
Rituraj Shares & Securities Ltd.	36,59,210.00	3,659,210.00

36. Comparative Figures

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

In terms of our separate report of even date annexed

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

Sonu Jain

Partner

Membership Number: 060015

For and on behalf of the Board

Ajay Agarwal

Chairman

Arpita Gupta

Director

Place : Kolkata

Dated : 10th May, 2017

Dipak Patra

Chief Financial Officer



Lee & Nee
Softwares (Exports) Ltd.

If undelivered, please return to :



Lee & Nee
Softwares (Exports) Ltd.

Office : 14B, Camac Street
Kolkata - 700 017

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

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

Tel:033-4065 0374/76, Fax: 033-4065 0378

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

ATTENDANCE SLIPName :
Address :Serial No.:
Share Holding :Name(s) of joint Holder(s), if any :
Folio/DP ID & Client ID No. :

I certify that I am registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company to be held at Shishir Mitra Hall, Webel Bhavan, 3rd Floor, Block - EP & GP, Sector - V, Saltlake, Kolkata-700091 at 11 a.m. on the 23rd September, 2017.

Name of Member/ Proxy (in Block Letters)

Signature of Shareholder / Proxy Present

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

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD

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

Commencement of E-Voting	End of E-Voting
Wednesday, September 20, 2017 at 9:00 a.m.	Friday, September 22, 2017 at 5:00 p.m.

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

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

Tel:033-4065 0374/76, Fax: 033-4065 0378

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

Proxy Form*[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

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

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

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

(3) Name Address.....
E-mail-Id..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the 23rd day of September, 2017 at 11 a.m. at Shishir Mitra Hall, 3rd Floor, Webel Bhavan Block EP & GP, Sector - V, Saltlake, Kolkata-700091 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *		
Ordinary Business		For	Against	Abstain
1.	To receive, consider and adopt a) the Audited Financial Statements of the Company for the financial year ended March 31,2017, together with the Reports of the Board of Directors and Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Report of the Auditors thereon.			
2.	To appoint a Director in place of Mrs. Arpita Gupta (DIN02839878), who retires by rotation and, being eligible, offers herself for re-appointment.			
3.	To appoint Auditors and fix their remuneration.			

Signed this..... day of..... 2017

Member's Folio / DP ID & Client ID No..... Signature of Share holder(s).....

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

Affix
Revenue
Stamp

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

2. For the Resolutions and Notes, please refer to the Notice of the 29th Annual General Meeting.

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