



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

## ROBOTICS PROCESS AUTOMATION

**SAP**

Partner

**UiPath**

**ORACLE®**

**Gold  
Partner**

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AFFORDABLE ERP SOLUTION

THIRTY FIRST  
**31st**

ANNUAL  
**REPORT & ACCOUNTS**  
**2018-2019**



<b>BOARD OF DIRECTORS</b>	: AJAY KUMAR AGARWAL — Executive Director SAGAR MAL GUPTA — Promoter Non-Executive Director ARPITA GUPTA — Non-Executive Director VIKASH KAMANI — Independent Director SUSHIL KUMAR GUPTA — Independent Director LEELA MURJANI — Independent Director
<b>KEY MANAGERIAL PERSONNEL :</b>	MAHESH GUPTA — Chief Executive Officer BISWARUP MAITY — Chief Financial Officer PRITIKA GUPTA — Company Secretary (upto 26.07.2018) RUPAL PODDAR — Company Secretary (w.e.f 26.07.2018)
<b>AUDITORS</b>	: JAIN SONU & ASSOCIATES CHARTERED ACCOUNTANTS
<b>BANKERS</b>	: ICICI BANK LTD. INDUSIND BANK LTD STATE BANK OF INDIA. ORIENTAL BANK OF COMMERCE
<b>REGISTERED OFFICE</b>	: 14B, CAMAC STREET, KOLKATA - 700 017 TEL : 033-40650377/0374, FAX : 033-40650378 EMAIL : investors@Insel.com, WEBSITE : www.Insel.com
<b>SOFTWARE DEVELOPMENT CENTRE</b>	: SOFTWARE TECHNOLOGY PARK SALLAKE ELECTRONICS COMPLEX BLOCK 'GP', SECTOR - V SDF BUILDING, 4TH FLOOR BIDHANNAGAR, KOLKATA - 700 091
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	: MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. MUKHERJEE ROAD, 5TH FLOOR KOLKATA - 700 001, TEL : (033) 22435029, FAX : (033) 22484787 EMAIL : mdpldc@yahoo.com
<b>CORPORATE IDENTITY NUMBER (CIN)</b>	: L70102WB1988PLC045587



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

14B, CAMAC STREET, KOLKATA - 700 017  
TEL : 033-40650377/0374, FAX : 033-40650378  
EMAIL : investors@lnsel.com, WEBSITE : www.lnsel.com  
**CIN : L70102WB1988PLC045587**

**NOTICE**

**NOTICE** is hereby given that the Thirty First Annual General Meeting of Lee & Nee Softwares (Exports) Limited (CIN: L70102WB1988PLC045587) will be held at Shishir Mitra Hall, 3<sup>rd</sup> Floor, Webel Bhavan, Block EP & GP, Sector-V, Saltlake, Kolkata -700091 on Friday the 27<sup>th</sup> September, 2019 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, 2019, 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, 2019 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Sagar Mal Gupta (DIN 00536428), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS :**

3. Re-appointment of Mr. Vikash Kamani (DIN - 06875355) as an Independent Director to consider and if thought fit, to pass, with or without modification(s), the following as a special resolution.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Vikash Kamani (DIN 06875355), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Vikash Kamani as a candidate for the office of director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 27, 2019 upto September 26, 2024.”

“RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”
4. Re-appointment of Mr. Sushil Kumar Gupta (DIN - 00535958) as an Independent Director to consider and if thought fit, to pass, with or without modification(s), the following as a special resolution.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing regulations”), as amended from time to time, Mr. Sushil Kumar Gupta (DIN - 00535958), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Sushil Kumar Gupta as a candidate for the office of director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 27, 2019 upto September 26, 2024.”

“RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”



5. Re-appointment of Ms. Leela Murjani (DIN - 02413222) as an Independent Director to consider and if thought fit, to pass, with or without modification(s), the following as a special resolution.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Ms. Leela Murjani (DIN - 02413222), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying intention to propose Ms. Leela Murjani as a candidate for the office of director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from September 27, 2019 upto September 26, 2024.”

“RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

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

Registered Office:  
14B Camac Street, Kolkata-700017  
Date: The 19th July, 2019.

**Rupal Poddar**  
ACS-45335  
Company Secretary

**NOTES:**

1. The Statement pursuant to section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and, vote instead of self and the proxy need not be a Member of the Company.** The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The Proxy form is attached herewith. Proxy submitted on behalf of Limited Companies, Societies, Etc must be supported by appropriate resolution or authority as applicable.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
3. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) in respect of the directors seeking re-appointment at the Annual General Meeting scheduled to be held on September 27, 2019 forms part of the notice. The directors have furnished consents/ declarations for their reappointment as required under the Companies Act, 2013 and the Rules thereunder.
4. 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.
5. As per Regulation 40 of Securities and Exchange Board of India Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Maheshwari Datamatics Pvt Ltd for assistance in this regard.
6. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company's Registrars and Transfer Agents, M/s Maheshwari Datamatics Pvt Ltd., Kolkata for consolidation into single folio.
7. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.



9. 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, 5<sup>th</sup> Floor, Kolkata-700001.
10. Members may now avail the facility of nomination as permitted under Section 72 of the Companies Act, 2013, in respect of physical shares held by them in the Company, by nominating in the prescribed Form SH-13, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrar & Share Transfer Agents for the prescribed form. Members holding shares in demat form may contact their respective depository participants for such nominations.
11. 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.
12. 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 Annual General Meeting.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20.09.2019 to Friday, 27.09.2019 (both days inclusive).
14. The Securities And Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder and transmission/transposition of shares. Members holding shares in physical form shall submit their PAN details to the Registrar and Share Transfer Agent of the Company, and Members holding shares in electronic forms are requested to submit their PAN details to their respective Depository Participants.
15. 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.
16. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on its behalf at the Meeting.
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. Address :- 23, R N Mukherjee Road, 5th Floor, Kolkata – 700 001. Email Id: mdpldc@yahoo.com.
18. The Notice of the Annual General Meeting, the Annual Report 2018-19 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](http://www.lnsel.com).
19. Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statement along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.
20. 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.
- 21. 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 the relevant rules of the Companies (Management and Administration) amended Rules, 2015 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 Annual General Meeting. 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 Annual General Meeting but shall not be entitled to cast their vote again at the Annual General Meeting.



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 20, 2019.
- 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 20, 2019 only shall be entitled to avail the facility of remote e-voting / voting through ballot or polling paper at the Meeting.
- V. Any person who become member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 20, 2019, 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](mailto:evoting@nsdl.co.in).
- VI. The e- voting period begins on 24<sup>th</sup> September, 2019 at 9.00 AM and ends on 26<sup>th</sup> September, 2019 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 20, 2019, 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 ANNUAL GENERAL MEETING, 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 three days of conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the CFO & Company Secretary of the Company for Counter Signature and who declare the result of the voting forthwith.
- VIII. The Scrutinizer shall submit her report to the Chairman who shall declare the result of the voting. The results declared along with the scrutinizers report shall be placed on the website of the Company [www.insel.com](http://www.insel.com) and on the website of NSDL [www.evoting.NSDLIndia.com](http://www.evoting.NSDLIndia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- IX. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 27, 2019.
- X. The details of the process and manner for remote e-voting are explained herein below:

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

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

**Details on Step 1 are mentioned below:**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  
<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

**Manner of holding shares**

**i.e. Demat (NSDL / CDSL) or Physical**

- a) For Members who hold shares  
in demat account with NSDL
- b) For Members who hold shares  
in demat account with CDSL
- c) For Members holding shares  
in Physical Form

**Your User ID is**

8 Character DP ID followed by 8 Digit Client ID

For example, if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*

16 Digit Beneficiary ID

For example, if your Beneficiary ID 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*

EVEN Number followed by Folio Number registered with the company. For example, if EVEN is 101456 and folio number is 001\*\*\* then user ID is 101456001\*\*\*



5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

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

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

**General Guidelines for shareholders**

- I. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [evoting@lnsel.com](mailto:evoting@lnsel.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.



- III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- IV. 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 cutoff date September 20, 2019.
22. **Information required under Regulation 36(3) of the SEBI (LODR) Regulation, 2015 with respect to the Directors retiring by rotation and being eligible seeking re-appointment and re-appointment of Independent Directors is as under;**

Particulars	Sagar Mal Gupta	Sushil Kumar Gupta	Vikash Kamani	Leela Murjani
<b>DIN</b>	00536428	00535958	06875355	02413222
<b>Designation</b>	Non Executive Director	Independent Director	Independent Director	Independent Director
<b>Date Of Birth</b>	01/07/1950	02/09/1962	18/11/1980	15/07/1950
<b>Appointed on</b>	15/12/1991	27/07/2014	27/07/2014	27/07/2014
<b>Qualification</b>	B.COM (Hons.), FCA, LLB (Advocate)	Graduate	M.Com, FCA	Non-Metric
<b>Expertise in specific functional areas</b>	He is an expert in Law, commerce and finance and widely travelled throughout the globe and has experience in a software business since 1989.	He has 40 years experience in accounts, Finance. Indirect Taxation, Electronic and Construction Business.	He has 10 years experience in Accounts, Audit & Taxation in Ernst & Young, and also having experience in Industries. Experienced in handling business administration & finance.	Executive with rich professional cum business experience for more than three decades.
<b>Directorship held in other public listed Companies (Excluding Foreign Companies and Sec 8 Companies)</b>	NIL	Sarvodaya Beopar Ltd	NIL	NIL
<b>Committee Memberships, if any, with position</b>	Member of Audit Committee and Stakeholder Relationship Committee of Lee & Nee Softwares (Exports) Ltd.	Member of Audit Committee of Lee & Nee Softwares (Exports) Ltd.	Chairman of Audit Committee and Member of Nomination and remuneration Committee of Lee & Nee Softwares (Exports) Ltd.	Member of Nomination and remuneration Committee and Stakeholder Relationship Committee of Lee & Nee Softwares (Exports) Ltd.
<b>Number of Shares</b>	1193817 Equity shares of Rs. 10 each	Nil	Nil	286094 Equity shares of Rs. 10 each
<b>Relationship with other Directors Inter-se and Key Managerial Personnel</b>	Mr Sagar Mal Gupta is Father in Law of Mrs. Arpita Gupta (Non Executive Director) and Father of Mr. Mahesh Gupta (Chief Executive Officer).	Nil	Nil	Nil





Note:

- a ) Other details like no. of Board meetings and committee meeting attended are provided in the director's report.
- b) Sitting Fee is provided to Independent directors as per provisions of Companies Act, 2013.

**Explanatory Statement**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.3 to 5 of the accompanying notice.

**Item 3,4 and 5**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr.Vikash Kamani (DIN 06875355) , Mr. Sushil kumar Gupta (00535958) and Ms. Leela Murjani (02413222) as Independent Directors, for a second term of five years from September 27, 2019 to September 26, 2024, not liable to retire by rotation. Mr.Vikash Kamani, Mr. Sushil kumar Gupta and Ms. Leela Murjani were appointed as Independent Directors at the Twenty Sixth Annual General Meeting ("AGM") of the Company. The Company has, interm of section 160(1) of the Act, received in writing a notice from a Member, proposing there candidature for the office of the Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Mr.Vikash Kamani, Mr. Sushil kumar Gupta and Ms. Leela Murjani would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they had confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, they fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the Annual General Meeting (AGM) till the conclusion of the Annual General Meeting (AGM).

Details of Further details pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the reappointment of Mr.Vikash Kamani, Mr. Sushil kumar Gupta and Ms. Leela Murjani as Independent Directors are now being placed before the Members for their approval by way of Special Resolutions.

The Board recommends the Special Resolution at Item Nos. 3,4 & 5 of this Notice for approval of the Members. Except Mr.Vikash Kamani, Mr. Sushil kumar Gupta and Ms. Leela Murjani and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 3,4 & 5 of the Notice.

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

Registered Office:  
14B Camac Street, Kolkata-700017  
Date: The 19th July, 2019.

**Rupal Poddar**  
ACS-45335  
Company Secretary



## DIRECTORS' REPORT

To,  
The Shareholders

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Financial Statements and their Report thereon for the financial year ended 31<sup>st</sup> March, 2019.

### Financial Results

Particulars	Amount in (₹)	
	Consolidated	Standalone
	2018-19	2017-18
Total Revenue	49,271,998	39,333,549
Profit/ (Loss) before interest, depreciation and Taxation	5,16,487	22,00,027
Less: Interest	6,552	4,390
Depreciation	282,480	372,848
Profit before taxation	227,455	18,22,789
Less: Provision for taxation	62,023	-
<b>Profit after Taxation</b>	<b>165,432</b>	<b>18,22,789</b>

### Company's Performance

During the period under review, at consolidated level, the company achieved revenue of Rs. 49,271,998, EBDITA Rs. 5,16,487 PBT of Rs. 2,27,455 and PAT of Rs. 1,65,432 as against a revenue of Rs. 39,333,549, EBDITA Rs. 22,00,027 PBT of Rs. 18,22,789 and PAT of Rs. 18,22,789 respectively in the previous year.

At standalone level, the company achieved revenue of Rs. 37,808,094 EBDITA Rs. 1,623,188 PBT of Rs. 1,357,488 and PAT of Rs. 1,295,465 as against a revenue of of Rs. 27,980,614 EBDITA Rs. 1,601,956 PBT of Rs. 1,264,692 and PAT of Rs. 1,264,692 respectively in the previous year.

At the Standalone level the sales of the Company have increased by 37.58% as compared to previous year and at the Consolidated level also the sales of the Company has increased by 20.69% as compared to last year.

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

### Events subsequent to the date of Financial Statements

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

### Change in the nature of business, if any

There has been no change in the nature of business of the company during the financial year 2018-19.

### Share Capital

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

### Dividend

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

### Quality Initiatives & Achievements:

The Company successfully achieved annual enterprise-wide ISO certification for ISO 9001:2015 (Quality Management) for Software Development, ERP Solution, Website Development, Medical Transcription, Mobile Application & Digital Marketing.

### Reserves

No amount was transferred to the reserves during the financial year ended on 31<sup>st</sup> March, 2019.



### Future Prospects

Your company has grown its business both in the domestic as well as international market in this year. Your company has special focus on further expanding its ERP business within India in coming years. It has also expanded its digital transformation business in the overseas market by adding more business partners. This can be achieved by participation in international tradeshows and overseas visits.

Artificial Intelligence is increasingly becoming an integral part of new platforms, devices and apps strengthening the overall sector. In order to meet the modern demands of corporates, the Company has identified new avenues of software business like Robotics Process Automation, Data Security and Cloud offerings. Your company has partnered with UiPath for offering RPA solutions.

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

- Your Company is looking forward to work in the areas of ERP Solutions, Robotics Process Automation, and Cloud solutions as there is huge potential in these areas.
- Your Company is now focused on further expanding Enterprise Applications business both in domestic as well as in overseas market.
- Your Company has further developed niche products for specific industry verticals and plans to offer them on SaaS model in coming years.
- Your company is also planning to venture into selling hardware and software solutions as a System Integrator.
- Your Company has made strategic alliances to offer Robotics Process Automation solutions. The Company anticipates to get good volume of business in the coming year.

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

### Subsidiary companies

The Company has two subsidiaries namely Lensel Web Services Pvt Ltd and Rituraj Shares Broking Pvt. Ltd. as on March 31, 2019.

Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013 a statement containing the salient features of the financial statement of a company's subsidiaries, is given in AOC-1 as "**Annexure 2**", which forms a part of this Annual Report.

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

During the year no new subsidiary was formed or ceased. Further, the Company has no Joint Venture and Associate during the financial year ended 31st March, 2019.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Subsidiaries, are available on the website of the Company <http://www.lnsel.com>. Also these documents will be available for inspection during business hours at the registered office of the Company.

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

### Deposits

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



#### **Particulars of loans, guarantees and investments.**

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

#### **Related Party Transactions**

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

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

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

#### **Corporate Social Responsibility Initiatives**

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

#### **Disclosure Relating To Material Variations**

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

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

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

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

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

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

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

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



### **Directors and Key Managerial Personnel**

There was no change in composition of the Board of Directors during the financial year. Mr. Vikash Kamani, Mr. Sushil kumar Gupta and Ms. Leela Murjani were appointed as an Independent Director at the Twenty Sixth Annual General Meeting (AGM) held on September 27, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of five years is proposed at the ensuing Annual General Meeting for the approval of the members by way of a special resolution.

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

Disclosures with respect to the Board composition, Directors and Board meetings held during the financial year are covered under the Corporate Governance report forming part of this report, as per the Provisions of the Companies Act, 2013.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015. All the declarations were placed before the Board. There has been no change in the circumstances affecting their states as Individual Directors of the company. During the year the KMP of the company as on March 31, 2019 are; Mahesh Gupta, Chief Executive Officer, Biswarup Maity, Chief Financial Officer and Rupal Poddar, Company Secretary.

### **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.



### **Prevention of Insider Trading**

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

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

### **Internal Financial Controls**

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

### **Secretarial Standards**

The Directors state that applicable secretarial standards, i.e SS-1 and SS -2, relating to 'Meetings of the Board of Directors and General Meeting'.

### **Auditors**

M/s Jain Sonu & Associates, Chartered Accountants, Kolkata (Firm Registration No. 324386E), were appointed as Statutory Auditors of the Company at the 29<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2017 in terms of the provisions of Section 139 of Companies Act, 2013 to hold office until the conclusion of 33<sup>rd</sup> Annual General Meeting to be held in the year 2021.

In terms of Companies (Amendment) Act, 2017, effective from 7<sup>th</sup> May, 2019, the requirement of seeking ratification of auditors' appointment at every annual general meeting has been dispensed with.

The Statutory Auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 code of ethics issued by Institute of Chartered Accountants of India.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mrs. Rasna Goyal, a Practicing Company Secretary in Practice (CP No. - 9209) to undertake the Secretarial Audit of the Company for the year ended 31st March 2019. 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 Policy**

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

### **Extract of Annual Return**

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

### **Employee Stock Option Scheme**

The company has not issued any employee stock option during the year under review.

### **Particulars of Employees and related disclosures**

There are no employees falling within the provisions of section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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



### **Vigil Mechanism/Whistle Blower Policy**

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

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

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

### **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 in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review forms part of this report and annexed as **Annexure-1**.

### **Acknowledgments**

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

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

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

Place : Kolkata  
Dated : 19th July, 2019

**Ajay Kumar Agarwal**  
Director  
(DIN : 01265141)

**Arpita Gupta**  
Director  
(DIN : 02839878)



## **Annexure-1**

### **Management Discussion and Analysis Report:**

The Company operates in areas of IT & ITES like 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 growing demand for ERP Software has provided a major boost to the Global ERP Software Markets more people are shifting their preferences to this growing sector. The market is expected to keep rising at a high CAGR and reach values of high millions by the end of the forecast period of 2018 up to 2023.

The ERP software market saw an annual growth of 10% to become a \$35 billion market in 2018. SAP and Oracle retain their No. 1 and 2 positions.

#### **SAP :**

Your company is a Partner of SAP. Originally known for leadership in enterprise response planning (ERP) software, SAP has evolved to become a market leader in end-to-end enterprise application software, database, analytics, intelligent technologies, and experience management. A top cloud company with 200 million users worldwide, SAP helps businesses of all sizes and in all industries to operate profitably, adapt continuously, and achieve their purpose.

#### **ORACLE :**

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

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

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

#### **ERP for Education Sector :**

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

#### **HRMS & Payroll Solutions :**

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

#### **Mobile Applications :**

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





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

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

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

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

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

***IoT and other Segments :***

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

**RISK & CONCERNS**

**Cyber Security Risk :** Cyber Security and quality management are few key areas of concern in today's information age.

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

**Concentration risk :** Regional concentration as well as vertical concentration can adversely impact Company's business in case of a slowdown.

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

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

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

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

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

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

**THREATS**

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

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

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



Shortage of quality and employable talent and rising costs in the major IT hubs are also challenges that need to be addressed. The Company has to ensure that it acquires good talent and retains it in order to constitute its major competitive edge. The Company maintains excellent work environment and competitive package for this purpose.

These are the days when technology takes no time to become obsolete. Thus, to be at par with its competitors the company has to ensure that it constantly updates and upgrades its technology.

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

**Growth:**

In FY19 what the Indian IT Industry has ended with is the export growth at 9.2 per cent, and the domestic revenues have grown by 7.9 per cent. The IT software and services revenues growth crossed \$165 billion, with the overall IT exports growing to \$137 billion compared to \$126 billion in FY18, and domestic revenues growing to \$44 billion from per cent \$41 billion in FY18.

**IT INDUSTRY GROWTH**

	<b>FY2018</b>	<b>FY2019</b>
<b>Exports</b>	\$ 126 billion	\$ 137 billion
<b>Domestic</b>	\$ 41 billion	\$ 44 billion
<b>Total</b>	\$ 167 billion	\$ 181 billion

Many experts believe the industry could be looking at similar growth rates of 8-9 per cent for FY20. The increased caution of course comes on the back of several emerging challenges such as increased protectionism, currency fluctuations, weakening financial market sentiment and regulatory changes in the tech technologies. However, we believe the growth pockets for FY20 could be around large deals for digitisation and increased discretionary spending on technology.

**Segment-wise or Product-wise performance:**

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

**Future Economic Outlook:**

India is rapidly marching towards becoming a digitally empowered society. The push for governance, the proliferation of smart phones, increasing Internet access and booming digital payments are fuelling the country's journey towards a trillion-dollar digital economy by 2025. The widespread acceptance of Digital is being seen as a catalyst for overall economic growth. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

With the combination of favourable demographics and policy reforms, India presents a unique and powerful growth story.

**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 37.58% as compared to previous year. The company continues to sign deals with few overseas companies that provide regular and good volume of business. It is looking forward to sign more such deals in the coming years. The company has identified new avenues of software business i.e. Robotics Process Automation, Data Security and Cloud offerings as there is huge potential in these areas. Company is now focused on further expanding Enterprise Applications business both in domestic as well as in overseas market. Company has developed niche products for specific industry verticals and plans to offer them on SaaS model in coming years. The company is very optimistic in getting the higher growth in the coming years as the company has still scope for better utilization of its capacity and is working very hard to soon achieve higher volumes of work for optimum utilization of its resources.

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

The total number of permanent employees of the Company as on 31st March, 2019 was 42.

It is very difficult to source skilled persons. Therefore, the role of human resource management is critical and strategic to build up human capital to create organizational competitive advantages. Today's customers are highly quality conscious and look towards value for the money. Quality is customer satisfaction built through employee participation.

Company has created the blue print for the strategic attraction of talent, and it has acted upon retention of talent by continuous training program.

The company's human resource practice has helped in motivating employees and enhancing their commitment and greater involvement in the overall quality improvement.

Your company treats its "human resources" as one of its most important assets and believes that its middle management is particularly critical to its business, as they are responsible for managing teams, understanding its client's 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 favorable work environment that encourages innovation which enables it to retain skilled and a highly professional workforce.

Your Company thrust in on the promotion of talent internally through job rotation and job enlargement. Our hiring requirements expected to increase by atleast 20 percent this year. This will be due to anticipated growth and the backfill due to attrition. We expect to improve our people intake during 2019 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 SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATES OR JOINT VENTURES**

**Part "A": Subsidiaries**

(Rs. In Lakhs)

Particulars	Lensel Web Services Pvt. Ltd	Rituraj Shares Broking Pvt. Ltd
	As on 31.03.2019	As on 31.03.2019
The date since when subsidiary acquired	01/04/2013	01/04/2013
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A
Share Capital		
Authorised Capital	10	50
Issued, Subscribed and fully paid up Capital	10	36.2
Reserves & Surplus	68.62	334.24
Total Assets	771.34	688.82
Total Liabilities (Excluding Share Holders Fund)	692.72	318.38
Investments	29.57	136.43
Turnover (Revenue from operation)	82.54	32.10
Profit/(Loss) Before Taxation	0.89	-12.19
Provision for Taxation	NIL	NIL
Profit/(Loss) after Taxation	0.89	-12.19
Proposed Dividend (%)	NIL	NIL
% of Shareholding	100%	100%

**Notes:**

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year. –Not Applicable

**Part "B": Associates And Joint Ventures**

The Company does not have any Associate or Joint Venture during the Financial Year 2018-19.

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

Place : Kolkata  
Dated : 19th July, 2019

**Ajay Kumar Agarwal**  
Director  
(DIN : 01265141)

**Arpita Gupta**  
Director  
(DIN : 02839878)



### **Annexure-3**

#### **Remuneration Policy**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. 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 thereunder 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 thereunder 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, 2019**

[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, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Lee and Nee Softwares (Exports) Limited for the financial year ended on 31<sup>st</sup> March, 2019 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, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **(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, 2016 **(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, 2014. **(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, 2018. **(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) The Secretarial Standards issued by The Institute of Company Secretaries of India complied generally.

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

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

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

**I further report that,**

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

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

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

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

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

For **Rasna Goyal**

Place: Kolkata

Date: 19th July, 2019

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,

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

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

For **Rasna Goyal**

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

Place: Kolkata  
Date: 19th July, 2019





**Annexure - 5**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
As on the financial year ended on 31st March, 2019  
of

**LEE AND NEE SOFTWARES (EXPORTS) LIMITED**

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

**I REGISTRATION AND OTHER DETAILS :**

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES**

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



**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-2018]				No of Shares held at the end of the year [As on 31-Mar-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	21628239	0	21628239	38.7784	21628239	0	21628239	38.7784	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	17622991	0	17622991	31.5971	17622991	0	17622991	31.5971	0.0000
e) Banks/FI									
f) Any other									
<b>Sub-total (A)(1)</b>	39251230	0	39251230	70.3755	39251230	0	39251230	70.3755	0.0000
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	39251230	0	39251230	70.3755	39251230	0	39251230	70.3755	0.0000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investor Provident Funds /									
Pension Funds									
Qualified Foreign Investor									
<b>Sub-total(B)(1):-</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000



<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	961395	12879	974274	1.7468	376411	3400	379811	0.6810	-1.0658
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6215508	1695699	7911207	14.1845	6210734	1626579	7837313	14.0518	-0.1327
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7488066	0	7488066	13.4257	8077502	42999	8120501	14.5597	1.1340
c) Others (Specify)									
Non Resident Indians	97070	0	97070	0.1740	71170	0	71170	0.1276	-0.0464
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	52153	0	52153	0.0935	106975	0	106975	0.1918	0.0983
Trusts									
NBFCs registered with RBI	0	0	0	0.0000	7000	0	7000	0.0126	0.0126
<b>Sub-total(B)(2):-</b>	14814192	1708578	16522770	29.6245	14849792	1672978	16522770	29.6245	0.0000
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	14814192	1708578	16522770	29.6245	14849792	1672978	16522770	29.6245	0.0000
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	54065422	1708578	55774000	100.0000	54101022	1672978	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-2018)			Shareholding at the end of the year (As on 31-Mar-2019)			% 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	10269410	18.4125	0.0000	10269410	18.4125	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	7353581	13.1846	0.0000	7353581	13.1846	0.0000	0.0000
4	RAJ KUMARI AGARWAL / ADCPA3440M	5229418	9.3761	0.0000	5229418	9.3761	0.0000	0.0000
5	NEENA GUPTA / ADNPG2279F	4801772	8.6093	0.0000	4801772	8.6093	0.0000	0.0000
6	S.M.GUPTA / ACVPG5705B	1193817	2.1405	0.0000	1193817	2.1405	0.0000	0.0000
7	MAHESH GUPTA / ADGPG0686B	1399973	2.5101	0.0000	1399973	2.5101	0.0000	0.0000
8	LEENA GUPTA / ADDPG2831P	368326	0.6604	0.0000	368326	0.6604	0.0000	0.0000
9	ARPITA GUPTA / ADOPA5454H	55200	0.0990	0.0000	55200	0.0990	0.0000	0.0000
10	SAGAR MAL GUPTA / AAPHS0927R	6200	0.0111	0.0000	6200	0.0111	0.0000	0.0000
	<b>TOTAL</b>	<b>39251230</b>	<b>70.3755</b>	<b>0.0000</b>	<b>39251230</b>	<b>70.3755</b>	<b>0.0000</b>	<b>0.0000</b>


**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-2018) / end of the year (31-Mar-2019)		Cumulative Shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		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-2018)	10269410	18.4125		
	At the end of the year (31-Mar-2019)	10269410	18.4125	10269410	18.4125
2	RITURAJ SHARES & SECURITIES LIMITED/ AACCR1449P				
	At the beginning of the year (01-Apr-2018)	7353581	13.1846		
	At the end of the year (31-Mar-2019)	7353581	13.1846	7353581	13.1846
3	SAGAR MAL GUPTA / AAPHS0927R				
	At the beginning of the year (01-Apr-2018)	6200	0.0111		
	At the end of the year (31-Mar-2019)	6200	0.0111	6200	0.0111
4	S.M.GUPTA / ACVPG5705B				
	At the beginning of the year (01-Apr-2018)	1193817	2.1405		
	At the end of the year (31-Mar-2019)	1193817	2.1405	1193817	2.1405
5	RAJ KUMARI AGARWAL / ADCPA3440M				
	At the beginning of the year (01-Apr-2018)	5229418	9.3761		
	At the end of the year (31-Mar-2019)	5229418	9.3761	5229418	9.3761
6	LEENA GUPTA / ADDPG2831P				
	At the beginning of the year (01-Apr-2018)	368326	0.6604		
	At the end of the year (31-Mar-2019)	368326	0.6604	368326	0.66049
7	MAHESH GUPTA / ADGPG0686B				
	At the beginning of the year (01-Apr-2018)	1399973	2.5101		
	At the end of the year (31-Mar-2019)	1399973	2.5101	1399973	2.5101
8	NEENA GUPTA / ADNPG2279F				
	At the beginning of the year (01-Apr-2018)	4801772	8.6093		
	At the end of the year (31-Mar-2019)	4801772	8.6093	4801772	8.6093
9	ARPITA GUPTA / ADOPA5454H				
	At the beginning of the year (01-Apr-2018)	55200	0.0990		
	At the end of the year (31-Mar-2019)	55200	0.0990	55200	0.0990
10	SUNITA GUPTA / ADYPG0114E				
	At the beginning of the year (01-Apr-2018)	8573533	15.3719		
	At the end of the year (31-Mar-2019)	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.	Name	Shareholding at the beginning of the year (01-Apr-2018) / end of the year (31-Mar-2019)		Cumulative Shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	R. B. K. SHARE BROKING LTD. / AAACR5488A # At the beginning of the year (01-Apr-2018)	546000	0.9790		
	03/08/2018 - Transfer	520076	0.9325	520076	0.9325
	07/09/2018 - Transfer	-1501	0.0027	518575	0.9298
	14/09/2018 - Transfer	-33575	0.0602	485000	0.8696
	21/09/2018 - Transfer	-18531	0.0332	466469	0.8364
	28/09/2018 - Transfer	-43162	0.0774	423307	0.7590
	05/10/2018 - Transfer	-23307	0.0418	400000	0.7172
	02/11/2018 - Transfer	-68787	0.1233	331213	0.5938
	09/11/2018 - Transfer	-12900	0.0231	318313	0.5707
	16/11/2018 - Transfer	-5614	0.0101	312699	0.5607
	01/02/2019 - Transfer	-82693	0.1483	230006	0.4124
	08/02/2019 - Transfer	-75506	0.1354	154500	0.2770
	15/02/2019 - Transfer	-6600	0.0118	147900	0.2652
	22/02/2019 - Transfer	-52901	0.0948	94999	0.1703
	01/03/2019 - Transfer	-54999	0.0986	40000	0.0717
	08/03/2019 - Transfer	-30652	0.0550	9348	0.0168
	15/03/2019 - Transfer	-9348	0.0168	0	0.0000
	At the end of the year (31-Mar-2019)	0	0.0000	0	0.0000
2	SHEELA DOSHI / AABPD3517G At the beginning of the year (01-Apr-2018)	300000	0.5379		
	At the end of the year (31-Mar-2019)	300000	0.5379	300000	0.5379
3	TEJRAJ DOSHI / AABPD3518K At the beginning of the year (01-Apr-2018)	300000	0.5379		
	At the end of the year (31-Mar-2019)	300000	0.5379	300000	0.5379
4	JAYESH TARACHAND KOTHARI / AACPK1361Q At the beginning of the year (01-Apr-2018)	625000	1.1206		
	At the end of the year (31-Mar-2019)	625000	1.1206	625000	1.1206
5	ATULKUMAR JIVANLAL RAJANI / AAKPR5723K At the beginning of the year (01-Apr-2018)	105300	0.1888		
	At the end of the year (31-Mar-2019)	105300	0.1888	105300	0.1888
6	RADHESHYAM CHATRAKA / AANHR6958R At the beginning of the year (01-Apr-2018)	109667	0.1966		
	At the end of the year (31-Mar-2019)	109667	0.1966	109667	0.1966
7	SATHYANARAYANA UPPALANCHA / AAWPU6373L * At the beginning of the year (01-Apr-2018)	125101	0.2243		
	28/09/2018 - Transfer	13800	0.0247	138901	0.2490
	At the end of the year (31-Mar-2019)	138901	0.2490	138901	0.2490
8	JAGADISH PRASAD TOSAWAR / ABSPT4421F At the beginning of the year (01-Apr-2018)	507914	0.9107		
	01/06/2018 - Transfer	16000	0.0287	523914	0.9394
	29/06/2018 - Transfer	402	0.0007	524316	0.9401
	At the end of the year (31-Mar-2019)	524316	0.9401	524316	0.9401



9	BINA DEVI BEHANI / ADBPB0877G				
	At the beginning of the year (01-Apr-2018)	92000	0.1650		
	At the end of the year (31-Mar-2019)	92000	0.1650	92000	0.1650
10	RAM GOPAL RAMGARHIA / ADGPR8048E				
	At the beginning of the year (01-Apr-2018)	203147	0.3642		
	At the end of the year (31-Mar-2019)	203147	0.3642	203147	0.3642
11	SAROJ DEVI BARDIA / AEDPB4461M				
	At the beginning of the year (01-Apr-2018)	74375	0.1334		
	At the end of the year (31-Mar-2019)	74375	0.1334	74375	0.1334
12	ABHISHEK TEJRAJ DOSHI / AEGPD9279J				
	At the beginning of the year (01-Apr-2018)	298145	0.5346		
	At the end of the year (31-Mar-2019)	298145	0.5346	298145	0.5346
13	SARITA CHATRAKA / ANVPC0139N *				
	At the beginning of the year (01-Apr-2018)	185271	0.3322		
	At the end of the year (31-Mar-2019)	185271	0.3322	185271	0.3322
14	NEHA SHARMA / BQDPS4562D				
	At the beginning of the year (01-Apr-2018)	697516	1.2506		
	27/04/2018 - Transfer	15000	0.0269	712516	1.2775
	31/03/2019 - Transfer	42999	0.0771	755515	1.3546

\* Not in the list of Top 10 shareholders as on 01/04/2018 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

**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-2018) / end of the year (31-Mar-2019)		Cumulative Shareholding during the year (01-Apr-2018 to 31-Mar-2019)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	S.M.GUPTA (PAN : ACVPG5705B)				
	At the beginning of the year (01-Apr-2018)	1193817	2.1405		
	At the end of the year (31-Mar-2019)	1193817	2.1405	1193817	2.1405
2	MAHESH GUPTA (PAN : ADGPG0686B)				
	At the beginning of the year (01-Apr-2018)	1399973	2.5101		
	At the end of the year (31-Mar-2019)	1399973	2.5101	1399973	2.5101
3	ARPITA GUPTA (PAN : ADOPA5454H)				
	At the beginning of the year (01-Apr-2018)	55200	0.0990		
	At the end of the year (31-Mar-2019)	55200	0.0990	55200	0.0990
4	LEELA MURJANI (PAN : ADQPM9518E)				
	At the beginning of the year (01-Apr-2018)	286094	0.5130		
	At the end of the year (31-Mar-2019)	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
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	NIL	NIL	NIL	NIL
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	NIL	NIL	NIL	NIL
Interest due but not paid	NIL	NIL	NIL	NIL
Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>				

## 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	<b>Independent Directors</b>	Mr. Sushil Kumar Gupta (₹)	Miss. Leela Murjani (₹)	Mr. Vikash Kamani (₹)	(₹)
	Fee for attending board/ Committee meetings	6,000.00	8,000.00	-	14,000.00
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>6,000.00</b>	<b>8,000.00</b>	<b>-</b>	<b>14,000.00</b>
2	<b>Others Non Executive Directors</b>	Mrs. Arpita Gupta (₹)	Mr. Sagar Mal Gupta (₹)		
	Fee for attending board/ Committee meetings	-	-		-
	Commission	-	-		-
	Others	-	-		-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>		<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>6,000.00</b>	<b>8,000.00</b>		<b>14,000.00</b>


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

Sl.	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	-	145,890.00	316,374.00	462,264.00
	(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)	-	-	-	-
	<b>Total</b>	-	<b>145,890.00</b>	<b>316,374.00</b>	<b>462,264.00</b>

**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
<b>A. COMPANY</b>					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		
<b>B. DIRECTORS</b>					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL		None		
Punishment	NIL		None		
Compounding	NIL		None		

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

Place : Kolkata  
 Dated : 19th July, 2019

**Ajay Kumar Agarwal**  
 Director  
 (DIN : 01265141)

**Arpita Gupta**  
 Director  
 (DIN : 02839878)





**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 : The Steps taken or impact on conservation of energy Company is ever mindful of the need for energy conservation, not only as a method of cost reduction, but also because it is a global imperative. We have ensured that the following measures are institutionalized across all our facilities:
- i. Optimal cooling of work areas and data centers.
  - ii. Switching off computers when not in use.
  - iii. Utilization of lights and standalone air conditioners only when required.
  - iv. Minimal usage of ACs and lights during weekend.
- the steps taken by the company for utilizing alternate source of energy & Capital investment on energy conservation equipments
- At present, Company has not utilize any alternate source of energy and emphasize on the Conservation of energy and be frugal in utilizing the energy.
- Impact of these measures:
- Taking effective measurements in saving energy has significantly benefitted the company.
- 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.
- The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company's operations do not require significant import of technology. Company has not incurred any expenses for research and development.
- C. a) Foreign Exchange Earning : Rs. 13,249,009 (previous year Rs. 8,550,954.40)
- b) Foreign Exchange Outgoing : Rs. Nil (previous year Rs. Nil)

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

Place : Kolkata  
Dated : 19th July, 2019

**Ajay Kumar Agarwal**  
Director  
(DIN : 01265141)

**Arpita Gupta**  
Director  
(DIN : 02839878)



## Annexure-7

### CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

- 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 31.03.2019 to the various Stock Exchanges aggregating to Rs. 2,80,000/- has been paid.

#### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

#### II. BOARD OF DIRECTORS:

##### (A) Composition of Board

The Board of Directors has Six Directors as on 31<sup>st</sup> March, 2019, comprising (i) 3 Independent Directors (ii) Chairman being Executive Director (iii) 1 Woman Independent Director and one Non Executive 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 31<sup>st</sup> March, 2019 are given below:

Name of the Director	Position	No. of Meetings Held	No. of Meetings attended	Whether attended last AGM	No. of other directorship	No. of Committee Membership (Including in the Company) Member	Chairman
Mr. Ajay Kumar Agarwal (DIN - 01265141)	Executive Director- Chairman	4	4	Yes	0	-	-
Mr. Sagarmal Gupta (DIN - 00536428)	Non-Executive Director	4	4	Yes	1	2	-
Mrs. Arpita Gupta (DIN - 02839878)	Non-Executive Director	4	4	Yes	2	1	1
Mr. Vikash Kamani (DIN - 06875355)	Independent Director / Non-Executive	4	3	Yes	1	-	2
Mr. Sushil Kumar Gupta (DIN - 00535958)	Independent Director / Non-Executive	4	4	Yes	14	1	-
Miss Leela Murjani (DIN - 02413222)	Independent Director / Non-Executive	4	4	Yes	1	2	-

Four Meetings of the Board of Directors were held during the year ended on 31<sup>st</sup> March 2019. These were held on 21<sup>st</sup> May 2018, 26<sup>th</sup> July 2018, 27<sup>th</sup> October 2018 and 24<sup>th</sup> January 2019.

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 24<sup>th</sup> January, 2019 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.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

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

Name of the Director	Sitting fees	Total
1. Mrs. Arpita Gupta	Waived	Waived
2. Mr. Sagar Mal Gupta	Waived	Waived
3. Mr. Vikash Kamani	Waived	Waived
4. Mr. Sushil Kumar Gupta	6000	6000
5. Miss Leela Murjani	8000	8000

- 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 31<sup>st</sup> March, 2019 save and except the sitting fees accepted by the two directors.

**(C) Code of Conduct**

The Board has formulated following code of Conduct of the Company and the same has also been posted on the website of the Company [www.lnsel.com](http://www.lnsel.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 have affirmed compliance with the applicable Code of Conducts for the year under review. A declaration to this effect by the CEO, forms part of this report.

**III. AUDIT COMMITTEE**

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

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

**(B) Meeting of Audit Committee**

The Committee has met 4 times in the financial year ended 31<sup>st</sup> March 2019 and the gap between the two meetings did not exceed 120 days. They were held on 21<sup>st</sup> May 2018, 26<sup>th</sup> July 2018, 27<sup>th</sup> October 2018 and 24<sup>th</sup> January 2019. The minutes of the meeting of the Audit Committee is reviewed and noted by the Board.

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

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

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



### **(C) Terms of Reference**

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

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



**(D) Review of Information by Audit Committee**

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

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

**IV. NOMINATION AND REMUNERATION COMMITTEE**

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

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

During the Financial Year 2018-19, the committee meeting held on 22<sup>nd</sup> Jan, 2019.

**(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	Non-Executive Director	Member	1	1
3. Miss Leela Murjani	Independent, Non-Executive Director	Member	1	1

During the Financial Year 2018-19, the committee meeting held on 22<sup>nd</sup> Jan, 2019.

**(B) Terms of Reference**

The Committee has been formed to undertake following activities:

- Oversee and review all matters connected with the transfer of the Company's securities.



- Oversee the performance of the Company's Registrars and Transfer Agents.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.
- Consider, resolve and monitor redressal of investors' / shareholders' grievances related to transfer of shares, non receipt of Annual Report, non-receipt of declared dividend etc.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.

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 31<sup>st</sup> March, 2019.

#### **VI. SUBSIDIARY COMPANIES**

There are two non listed subsidiary Companies. 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](http://www.lnsel.com).

#### **VII. RISK MANAGEMENT**

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

#### **VIII. GENERAL BODY MEETINGS**

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

Financial Year	Date	Time	Venue
2015-16	September 24, 2016	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
2016-17	September 23, 2017	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091
2017-18	September 29, 2018	11 A.M	Shishir Mitra Hall Webel Bhawan, Kolkata-700091

No Special Resolution was passed at the AGM held on September 29, 2018.

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](http://www.lnsel.com)

##### **(B) Disclosure of Accounting Treatment**

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



**(C) Remuneration of Directors**

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

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

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

**(E) Reconciliation of share capital audit:**

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

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

**(G) Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under Regulation 22 of the SEBI Listing Regulations for Directors, employees and others who are associated with the Company to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy provides adequate safeguards against victimization of employees/ directors who avail the mechanism. The Company affirms that no person has been denied access to the Audit Committee in this respect. The said policy has also been put on the website of the company [www.linsel.com/investors](http://www.linsel.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 2018-19 was placed before the Board at its meeting held on May 15, 2019.

**(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.linsel.com](http://www.linsel.com).

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

**(XI) GENERAL SHAREHOLDERS INFORMATION**

**Corporate Identification Number (CIN)** : L70102WB1988PLC045587

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

**Registrar and Share Transfer Agents**

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



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

**Stock Code:**

BSE Ltd. 517415

**Demat ISIN Nos.** INE791B01014

**Investors' Complaints may be Addressed to :**

Share Transfer agents at the above mentioned address and /or to the Director, Stakeholders Relationship Committee.  
14B, Camac Street, Kolkata - 700 017.

**Annual General Meeting :**

Date : 27<sup>th</sup> September, 2019  
Time : 11.00 A.M.  
Venue : Shishir Mitra Hall  
Webel Bhawan, 3<sup>rd</sup> Floor, Block EP & GP  
Sector V, Saltlake, Kolkata - 700 091.

**Financial Calendar 2019 - 2020**

First Quarterly Results : July, 2019  
Second Quarterly Results : October, 2019  
Third Quarterly Results : January, 2020  
Annual results for the year  
Ending on 31st March, 2020 : On or before 30th May, 2020.  
Annual General Meeting for the  
Year ending on 31st March, 2020. : On or before 30th September, 2020.

**Book Closure:**

20<sup>th</sup> day of September 2019 to 27<sup>th</sup> day of September, 2019 (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, 2019 is given below:

SI No.	No. of Equity Shares Held		No. of Share Holders	% of Share Holders	No. of Shares	% of Shareholding
1.	1	to 500	15536	84.43	2763800	4.96
2.	501	to 1000	1362	7.40	1179463	2.11
3.	1001	to 2000	675	3.67	1084805	1.95
4.	2001	to 3000	224	1.22	589833	1.06
5.	3001	to 4000	99	0.54	362346	0.64
6.	4001	to 5000	133	0.72	633042	1.13
7.	5001	to 10000	185	1.01	1363897	2.45
8.	10001	to Above	186	1.01	47796814	85.70
<b>TOTAL</b>			<b>18400</b>	<b>100.00</b>	<b>55774000</b>	<b>100.00</b>

**Category of Shareholders (as on 31.03.2019)**

Category	No. of Holders	No. of Shares	% of holding
PROMOTER	10	39251230	70.38
NRI	34	71170	0.13
FII	--	--	--
OCB	--	--	--
IFI	--	--	--
IMF	--	--	--
BANK	--	--	--
EMPLOYEES	--	--	--
BODIES CORPORATE	104	379811	0.68
CM	28	106975	0.19
PUBLIC	18224	15964814	28.62
TRUST	--	--	--

**Market Price Data:**

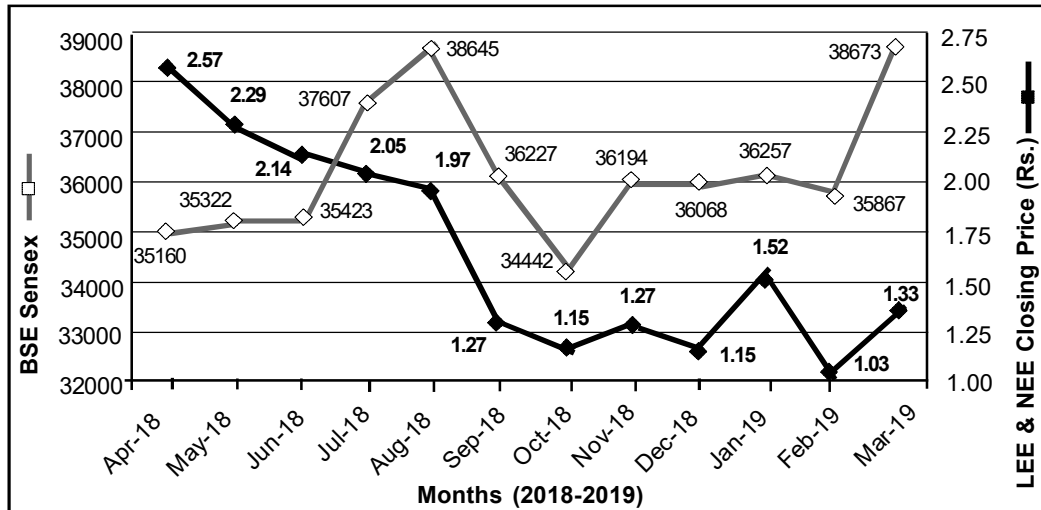
The details of high/low market price of the share at Calcutta Stock Exchange is not available as the trading platform of the Calcutta Stock Exchange is not in operation and the details of high/low market price of the share at the Mumbai Stock Exchange are as under:

Month	Quotation at Bombay Stock Exchange		No. of shares traded
	High (₹)	Low (₹)	
Apr-18	3.00	2.55	169,865
May-18	2.60	2.10	81,206
Jun-18	2.56	1.91	66,847
Jul-18	2.26	1.90	162,042
Aug-18	2.18	1.79	92,583
Sep-18	2.04	1.27	155,376
Oct-18	1.32	1.08	159,198
Nov-18	1.35	1.14	38,587
Dec-18	1.30	1.05	42,080
Jan-19	1.54	1.06	189,365
Feb-19	1.69	1.02	199,545
Mar-19	1.49	1.03	90,241

Source: [www.bseindia.com](http://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 97% i.e. 54101022 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31<sup>st</sup> March, 2019.

**Share Transfer System:**

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

**Outstanding GDR / ADR / Convertible Bonds :**

Nil.

**Plant Location**

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

**Address for Correspondence**

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

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

**Ajay Kumar Agarwal**  
Director  
(DIN : 01265141)

**Arpita Gupta**  
Director  
(DIN : 02839878)

Place : Kolkata  
Dated : 19th July, 2019

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

In terms of Regulation 34(3) read with Schedule V(D) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members & Senior Management Personnel of the Company have affirmed compliance with the respective code of conduct as applicable to them for the year ended 31<sup>st</sup> March, 2019.

Place: Kolkata  
Date: 19<sup>th</sup> July, 2019

**Ajay Kumar Agarwal**  
Director



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

Independent Auditor's Certificate on Corporate Governance

1. The Corporate Governance Report prepared by Lee & Nee Softwares (Exports) Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

### Other Matters And Restriction On Use

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For Jain Sonu and Associates**

Chartered Accountants

Firm's Registration Number: 324386E

**Sonu Jain**

Partner

Membership No.:060015

Place: Kolkata

Date: 19<sup>th</sup> July, 2019



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

The Board of Directors

**LEE & NEE SOFTWARES (EXPORTS) LIMITED**

Kolkata

*Dear Board Members,*

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

- a. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March 2019 on standalone and consolidated basis and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year 2018-19 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit Committee, steps have taken to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that ;
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - (ii) There has not been any significant change in accounting policies during the year under reference.
  - (iii) We are not aware of any instance of fraud during the year, with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

**LEE & NEE SOFTWARES (EXPORTS) LIMITED**

Place: Kolkata

Date: 19<sup>th</sup> July, 2019

Mahesh Gupta  
Chief Executive Officer

Biswarup Maity  
Chief Financial Officer



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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members  
**Lee & Nee Softwares (Exports) Limited.**  
**14B, Camac Street, Kolkata -700017**  
W.B. India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of

**Lee & Nee Softwares (Exports) Limited** having **CIN: L70102WB1988PLC045587** and having registered office at **14B, Camac Street, Kolkata -700017, W.B., India** produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR.NO	NAME OF DIRECTORS	DIN	Date of appointment in Company
1.	Arpita Gupta	02839878	24/10/2009
2.	Sagar Mal Gupta	00536428	15/12/1991
3.	Leela Murjani	02413222	25/07/2014
4.	Sushil Kumar Gupta	00535958	25/07/2014
5.	Ajay Kumar Agarwal	01265141	29/04/2004
6.	Vikash Kamani	06875355	25/04/2014

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 19th July, 2019

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



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone Financial Statements of **M/s LEE & NEE SOFTWARES (EXPORTS) LTD** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matters

##### Adoption of Ind AS 115 – Revenue from Contracts with Customers

###### The key audit matters

As described in Note 2(c) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.

The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue

###### How the matter was addressed in our audit

Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include :-

- Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;
- Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;



recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.

- Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;

- Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and

- Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.

### **Information other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report , to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.





- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Audit and Auditors) amendment rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position in its Standalone Ind AS Financial Statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) The Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Kolkata  
Date: 15th May, 2019

**Sonu Jain**  
Partner  
Membership No.:060015



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of Lee & Nee Softwares (Exports) Ltd. as of March 31<sup>st</sup>, 2019 in conjunction with our audit of the standalone IND AS 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2019, based on the criteria for Internal Financial 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: 15th May, 2019



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and 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 is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Accordingly, the provisions of Clauses 3(iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given loans, guarantees, security or made any investment which needs to comply with the section 185 and 186 of the Companies Act, 2013 during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public. Hence, Clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty Cess and other statutory dues to the extent applicable to it.  
  
According to information and explanations given to us, no undisputed amounts payable in respect of the Goods and Service Tax, Income Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- b) According to information and explanation given to us, there are no dues of Goods and Service Tax, Income Tax, Sales Tax, Custom Duty and Cess which has not been deposited on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institution, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer, debt instruments or term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, no director's remuneration has been paid or provided during the year. Accordingly, Clause 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, there are no contracts or arrangements with related parties referred to in section 177 and 188 of the Companies Act, 2013 during the year.



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

- (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

Place: Kolkata  
Date: 15<sup>th</sup> May, 2019

**Sonu Jain**  
Partner  
Membership No.:060015



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

	NOTES	AS AT 31.03.2019 Amount (₹)	AS AT 31.03.2018 Amount (₹)
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	580,450	540,114
(b) Goodwill	3	243,934,701	243,934,701
(c) Intangible Assets	3	73,700	75,532
(d) Financial Assets			
i) Investments	4.1	68,173,071	61,141,803
ii) Trade Receivables	4.2	9,749,640	8,316,493
iii) Loans	4.3	116,929,512	65,190,630
iv) Others Financial Assets	4.4	1,539,704	1,834,077
(e) Other Non-Current Assets	5	61,518,838	154,973,561
		<u>502,499,616</u>	<u>536,006,911</u>
<b>Current Assets</b>			
(a) Financial Assets			
i) Trade Receivables	6.1	1,534,596	1,631,821
ii) Cash and Cash Equivalents	6.2	5,991,683	769,782
iii) Loans	6.3	30,400,000	60,000
(b) Other Current Assets	7	4,347,020	3,402,716
		<u>42,273,299</u>	<u>5,864,319</u>
<b>TOTAL ASSETS</b>		<u><b>544,772,916</b></u>	<u><b>541,871,229</b></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	557,740,000	557,740,000
(b) Other Equity	9	(22,018,337)	(23,345,501)
		<u>535,721,663</u>	<u>534,394,499</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
Other Financial Liabilities	10	1,561,240	1,460,879
(b) Deferred Tax Liabilities (net)		-	-
		<u>1,561,240</u>	<u>1,460,879</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
Trade Payables	11	4,195,844	3,908,528
(b) Other Current Liabilities	12	2,613,123	1,684,946
(c) Provisions	13	681,046	422,377
(d) Current Tax Liabilities (Net)		-	-
		<u>7,490,013</u>	<u>6,015,851</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>544,772,916</b></u>	<u><b>541,871,229</b></u>

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements 1 to 27

In terms of our report attached

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Regn. Number: 324386E

**Sonu Jain**

Partner

Membership No.: 060015

Kolkata, 15th May, 2019

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

**Ajay Kumar Agarwal**

Director (DIN : 01265141)

**Biswarup Maity**

Chief Financial Officer

**Arpita Gupta**

Director (DIN : 02839878)

**Rupal Poddar**

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

		NOTE NO.	Year ended 31.03.2019 Amount (₹)	Year ended 01.04.2018 Amount (₹)
I	Revenue From Operations	14	35,345,858	25,690,562
II	Other Income	15	2,462,237	2,290,052
III	<b>Total Income (I + II)</b>		<b>37,808,094</b>	<b>27,980,614</b>
IV	<b>EXPENSES</b>			
	(a) Purchase (Software & Service)		4,656,728	1,372,660
	(b) Employee benefit expense	16	15,574,984	12,566,412
	(c) Depreciation and amortization expense	17	259,396	332,873
	(d) Other expenses	18	15,959,499	12,443,977
	<b>Total Expenses</b>		<b>36,450,607</b>	<b>26,715,922</b>
V	<b>Profit before tax (III - IV)</b>		<b>1,357,488</b>	<b>1,264,692</b>
VI	<b>Tax expense</b>			
	(a) Current tax		62,023	-
	(b) Deferred tax		-	-
	<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
VII	<b>Profit for the period (V - VI)</b>		<b>1,295,465</b>	<b>1,264,692</b>
VIII	<b>Other comprehensive income</b>			
	Items that will not be reclassified to statement of profit and loss			
	(a) Changes in Fair Value of Equity Instruments through Other Comprehensive Income		189,347	2,378
	(b) Income tax relating to item (a) above		-	-
	<b>Other comprehensive income (net of Tax)</b>		<b>189,347</b>	<b>2,378</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>1,484,812</b>	<b>1,267,070</b>
X	<b>Earning per equity share</b>			
	(a) Basic		0.03	0.02
	(b) Diluted		0.03	0.02

Summary of significant accounting policies 2

The accompanying notes 1 to 27 are an integral part of the financial statements

In terms of our report attached

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

**Sonu Jain**  
Partner  
Membership No.: 060015

Place : Kolkata  
Date : 15th May, 2019

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

**Ajay Kumar Agarwal**  
Director (DIN : 01265141)

**Biswarup Maity**  
Chief Financial Officer

**Arpita Gupta**  
Director (DIN : 02839878)

**Rupal Poddar**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

SI No.	PARTICULARS	Year ended 31.03.2019		Year ended 31.03.2018	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I.</b>	<b>CASH FLOWS</b>				
1	<u>From Operating Activities</u>				
	(a) Net Profit / (Loss) before tax from Operating Activities		1,295,465		1,264,692
	Adjustments:				
	Depreciation and amortisation	259,396		332,873	
	Interest Income	(2,418,411)		(2,170,602)	
	Other Income	(43,826)	(2,202,841)	(119,449)	(1,957,179)
	Operating Profit/ (Loss) before working capital changes		(907,376)		(692,486)
	(b) Working Capital changes:				
	Decrease/ ( Increase) in trade receivables	(1,335,922)		(195,861)	
	Decrease/ ( Increase) in Loans	(30,340,000)		-	
	Decrease/ (Increase) in other current assets	(944,305)		(1,296,365)	
	Increase/ ( Decrease) in Trade Payables	287,316		2,023,522	
	Increase/ ( Decrease) in other current liabilities	928,178		302,422	
	Increase/ ( Decrease) in provisions	258,669	(31,146,064)	240,987	1,074,705
	Cash generated from Operating Activities		(32,053,440)		382,219
	Income Taxes Paid		-		-
	Taxes relating to earlier year		-		-
	<b>Net Cash from Operating Activities</b>	<b>Total of (1)</b>	<b>(32,053,440)</b>		<b>382,219</b>
2	<u>From Investing Activities</u>				
	Purchase of Fixed Aseets	(297,899)		(305,703)	
	Purchase/Sale of Investment	(6,841,923)		(500,517)	
	Decrease/(Increase) in non current loans	(51,738,882)		698,404	
	Decrease/(Increase) in other Financial Assets	294,373		(108,499)	
	Decrease/(Increase) in other non current loans	93,454,723		(3,050,810)	
	Decrease/(Increase) in other Financial Liabilities	100,361		-	
	Interest received	2,418,411		2,170,602	
	Other income	43,826		119,449	
	<b>Net Cash from Investing Activities</b>	<b>Total of (2)</b>	<b>37,432,989</b>		<b>(977,073)</b>
3	<u>From Financing Activities</u>				
	Decrease/(Increase) in other Equity		(157,648)		-
	<b>Total of (3)</b>		<b>(157,648)</b>		<b>-</b>
<b>II.</b>	<b>Net (decrease)/increase in Cash and Bank Balances (I-II)</b>	<b>Total Cash flows (1+2+3)</b>	5,221,902		(594,854)
	Add: Cash and Bank Balances at the beginning of the period		769,782		1,364,636
<b>III.</b>	<b>Cash and Bank Balances at the end of the period (Refer Note 6.2)</b>		<b>5,991,683</b>		<b>1,364,636</b>

In terms of our report attached

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Regn. Number: 324386E

**Sonu Jain**

Partner

Membership No.: 060015

Kolkata, 15th May, 2019

**Ajay Kumar Agarwal**

Director (DIN : 01265141)

**Biswarup Maity**

Chief Financial Officer

**Arpita Gupta**

Director (DIN : 02839878)

**Rupal Poddar**

Company Secretary





**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**A. EQUITY SHARE CAPITAL**

<b>PARTICULARS</b>	<b>AMOUNT (₹)</b>
<b>As at 31 March 2018</b>	<b>55,774,000</b>
Changes in equity share capital	-
<b>As at 31 March 2019</b>	<b>55,774,000</b>

**B. OTHER EQUITY**

<b>PARTICULARS</b>	<b>RESERVES AND SURPLUS</b>		<b>TOTAL</b>
	<b>Capital Reserve</b>	<b>Retained Earnings</b>	
<b>Balance as at 31 March 2018</b>	<b>10,000</b>	<b>(23,355,501)</b>	<b>(23,345,501)</b>
Profit for the year	-	1,295,465	1,295,465
Other comprehensive income	-	189,347	189,347
<b>Balance as at 31 March 2019</b>	<b>10,000</b>	<b>(21,870,689)</b>	<b>(21,860,689)</b>

In terms of our report attached

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Regn. Number: 324386E

**Sonu Jain**

Partner

Membership No.: 060015

Place : Kolkata

Date : 15th May, 2019

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

**Ajay Kumar Agarwal**

Director (DIN : 01265141)

**Biswarup Maity**

Chief Financial Officer

**Arpita Gupta**

Director (DIN : 02839878)

**Rupal Poddar**

Company Secretary



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

#### NOTE - 1

##### Background

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

The Company is listed on Bombay Stock Exchange Limited and Kolkata Stock Exchange Limited. The registered office of the Company is located at 14-B, Camac Street, Kolkata-700017, India.

These financial statements are approved by the Company's Board of Directors on 15<sup>th</sup> May 2019.

#### NOTE - 2

##### Significant accounting policies

- a. **Basis of Preparation of Financial Statements:** The financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. 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. **Historical cost Convention:** The standalone financial statements have been prepared on a historical cost basis, except the financial assets (investments) & financial liabilities, if any which are measured at fair value. They are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.
- c. **Use of Estimates :** Preparation of financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Differences between actual results and estimates are recognised in the period in which they materialize.

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

##### *Income tax:*

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

##### *Property, plant and equipments:*

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



*Measurement of defined benefit obligations:*

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses, the sensitivity analysis for changes in estimates are disclosed under relevant Notes.

*Impairment of assets:*

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

*Estimation of provisions and contingencies:*

Refer note 2 (l), 13 for details.

*Recognition of deferred tax assets:*

Refer note 2 (r) for details.

*Fair value measurements:*

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

- d. **Revenue/Expenses Recognition** : Revenue and Expenses are recognized only when accrued and their collection and payment is reasonably certain.

The Company derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

The Company adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Company has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Company recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.

Recognition criteria for various types of contracts are as follows:

*Time and Material Contracts:*

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

*Fixed-Price Contracts:*

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is



recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

***Sale of products:***

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.

Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers"

***Other Income***

Other income primarily comprises of interest, dividend. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established.

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

Recognition and Initial measurement:

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

*Subsequent measurement (depreciation and useful lives):*

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

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

***De-recognition:***

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

**f. *Intangible assets:***

Technical know - how fees / acquired computer software and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets/Software Licenses are amortized on their respective individual estimated useful lives on a written down value basis, commencing from the date the assets is available to the company for its use.



The estimated useful lives are as mentioned below:

*Computer Software & Licences*                      3 Years.

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

Assessment for impairment is done at each Balance Sheet date when there is an indication that a non-financial asset may be impaired. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the standalone statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the standalone statement of profit and loss.

**h. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date of investment made are classified as Current Investments. All investments other than long term investments are classified as non-current investments. Investment are valued in accordance with the applicable Ind AS .

**i. Investments in subsidiaries**

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

**j. Financial instruments**

**i) Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii) Subsequent measurement**

*Financial assets carried at amortized cost*

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through other comprehensive income*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

*Equity instruments:*

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

*Investments in mutual funds:*

Investments in mutual funds are measured at fair value at each balance sheet date.

iii) *Derecognition of financial instruments*

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for Derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

k. **Foreign currency transactions**

Functional currency and presentation currency:

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

**Transactions and balances:**

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

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

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



**m. Employee benefits expense**

**Defined contribution plans:**

The Company provides defined contribution plan for post-employment benefits in the form of provident fund and Employee State insurance benefit scheme administered by Regional Provident Fund Commissioner and the ESI's authorities respectively. The Company's contributions to defined contribution plans are charged to the standalone statement of profit and loss as and when incurred.

**Defined benefit plans:**

The Company also provides for Gratuity and Leave Encashment based on actuarial valuation made by an independent actuary as per Ind AS 19 Compliance of The Institute of Chartered Accountants of India. Actuarial gains / losses are disclosed under relevant Notes.

**Termination benefits:**

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

- i) when the Company can no longer withdraw the offer of those benefits; or
- ii) when the Company recognizes a restructuring cost within the scope of Ind AS 37.

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

**n. Borrowings:**

The Company has not borrowed any sums.

**o. Inventories:**

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

**p. Cash and Cash Equivalents:**

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

**q. Leases:**

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

**r. Income tax:**

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

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

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



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

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

**s. Segment reporting:**

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

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

**t. Earnings per Share:**

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

**u. Recent accounting pronouncements**

Certain new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 April 2019, and have not been applied in preparing these standalone financial statements. New standards, amendments to standards and interpretations that could have potential impact on the standalone financial statements of the Company are:

**1. Ind AS 12 – Accounting for taxes on income**

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognize the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognized the same. The amendment is effective date from financial periods beginning on or after April 1, 2019.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.





The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the amendments to the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

2. *Ind AS 19 – Employee Benefits*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

Amount (₹)

GROSS CARRYING AMOUNT	PROPERTY, PLANT AND EQUIPMENT			GOODWILL	INTANGIBLE ASSETS (Computer Software)
	Buildings (Leasehold Premises)	Plant & Equipment	Furniture & Fixtures		
<b>Cost or valuation</b>					
<b>At 31 March 2018</b>	6,187,500	4,877,230	409,667	243,934,701	1,478,612
Add : Additions	-	297,899	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
Less : Classified as held for sale	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6,187,500</b>	<b>5,175,129</b>	<b>409,667</b>	<b>243,934,701</b>	<b>1,478,612</b>
<b>Accumulated Depreciation / Amortization / Impairment</b>					
<b>At 31 March 2018</b>	6,187,500	4,355,245	391,537	-	1,403,080
Depreciation charge for the year	-	257,128	435	-	1,832
Disposals	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6,187,500</b>	<b>4,612,374</b>	<b>391,972</b>	<b>-</b>	<b>1,404,912</b>
<b>Net Book Value</b>					
At 31 March 2019	-	562,755	17,694	243,934,701	73,700
At 31 March 2018	-	521,985	18,130	243,934,701	75,532



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**NOTE - 4.1 INVESTMENTS**

Particulars	Face Value (₹)	31.03.2019	Numbers 31.03.2018	31.03.2019	Amount (₹) 31.03.2018
<b>Quoted, fully paid up:</b>					
Investments in Equity Instruments					
<i>Carried at Fair Value through OCI</i>					
- Hindustan Construction Ltd.	1	100	100	1,501	2,230
- Hindustan Motor Ltd.	5	100	100	734	705
- Century Extrusions Ltd.	1	200	200	1,172	954
- ICICI Bank Ltd.	2	181	65	72,192	18,096
- PCS Technologies Ltd.		50	50	468	1,500
- NTC Industries Ltd.	10	100	100	4,310	4,235
<b>Sub total of quoted investments in equity (A)</b>				<b>80,377</b>	<b>27,720</b>
Investments in Equity Debentures					
<i>Carried at Fair Value through OCI</i>					
- Finolex Pipe Ltd.	2	25	25	12,535	16,733
<b>Sub total of quoted investments in debentures (B)</b>				<b>12,535</b>	<b>16,733</b>
<b>Aggregate amount of quoted investments (A+B)</b>				<b>92,912</b>	<b>44,453</b>
<b>Unquoted, fully paid up:</b>					
Investments in Equity Instruments					
<i>Measured at Cost</i>					
- Enkay Texofood Ltd.		106	106	2,120	2,120
- Neena Consultants Ltd.		100	100	515	515
- Philips India Ltd.		100	100	8,200	8,200
Investments in Equity Instruments in Subsidiaries					
<i>Measured at Cost</i>					
- Lensel Web Services (P) Ltd.	100		10000	3,614,700	3,614,700
- Rituraj Shares Broking (P) Ltd.	100		36200	29,637,851	29,637,851
<b>Aggregate amount of unquoted investments</b>				<b>33,263,386</b>	<b>33,263,386</b>
<b>Quoted , fully paid up:</b>					
Investments in Mutual Fund					
<i>Carried at Fair Value through OCI</i>					
- ICICI Prudential balanced Advantage Fund		32,165.771	26213.950	1,136,738	800,000
- UTI Floating Rate Fund		68.319	28.442	206,935	79,995
- UTI Wealth Builder Fund		6540.726	3578.580	221,281	120,000
<b>Aggregate amount of investment in Mutual Fund</b>				<b>1,564,954</b>	<b>999,995</b>
<b>Investments in Partnership Firm:</b>					
- M. M. International				33,251,819	26,833,969
<i>Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 1461662.18)</i>					
<b>Aggregate amount of investment in Partnership Firm</b>				<b>33,251,819</b>	<b>26,833,969</b>
<b>TOTAL</b>				<b>68,173,071</b>	<b>61,141,803</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 4.2</b>		
<b>TRADE RECEIVABLES (Non Current)</b>		
Unsecured, Considered Good	<u>9,749,640</u>	<u>8,316,493</u>
<b>NOTE - 4.3</b>		
<b>LOANS (Non Current)</b>		
Unsecured, Considered Good		
i) Security Deposit	261,785	261,785
ii) Other Loans (Interest accrued thereon)	48,843,292	18,676,008
iii) Inter Corporate Deposit	<u>67,824,435</u>	<u>46,252,837</u>
	<u>116,929,512</u>	<u>65,190,630</u>
<i>* The Company has given inter corporate deposit to its 100% subsidiary Lensel Web Services Pvt Ltd.</i>		
<b>NOTE - 4.4</b>		
<b>OTHER FINANCIAL ASSETS (Non Current)</b>		
Deposits with more than 12 months maturity	<u>1,539,704</u>	<u>1,834,077</u>
<b>NOTE - 5</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured, Considered Good		
i) Deposits with Govt. and others	441,470	592,840
ii) MAT credit entitlement	974,867	778,221
iii) Other Advances (Trade Advances)	<u>60,102,500</u>	<u>153,602,500</u>
	<u>61,518,838</u>	<u>154,973,561</u>
<b>NOTE - 6.1</b>		
<b>TRADE RECEIVABLES (Current)</b>		
Unsecured, Considered Good	<u>1,534,596</u>	<u>1,631,821</u>
<b>NOTE - 6.2</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
i) Balance with Banks:		
- In Current Account	5,554,082	290,407
ii) Cash on Hand	<u>437,601</u>	<u>479,375</u>
	<u>5,991,683</u>	<u>769,782</u>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
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**NOTE - 6.3**

**LOANS (Current)**

Unsecured, Considered Good

i) Security Deposit	63,500	60,000
ii) Inter Corporate Deposit	<u>30,336,500</u>	<u>-</u>
	<u>30,400,000</u>	<u>60,000</u>

*\* The Company has given inter corporate deposit to its 100% subsidiary Rituraj Shares Broking Pvt Ltd.*

**NOTE - 7**

**OTHER CURRENT ASSETS**

Unsecured, Considered Good

i) Deposits with Govt. and others	4,295,330	3,331,055
ii) Employee Advances	-	15,000
iii) Other Advances (Trade Advances)	<u>51,690</u>	<u>56,660</u>
	<u>4,347,020</u>	<u>3,402,716</u>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
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**NOTE - 8**

**EQUITY SHARE CAPITAL**

**Authorised**

60,000,000 Equity Shares of Rs.10 each (Previous years : 60,000,000 Equity Shares)	600,000,000	600,000,000
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**Issued, Subscribed and Fully Paid**

55,774,000 Equity Shares of Rs.10 each (Previous years : 55,774,000 Equity Shares)	557,740,000	557,740,000
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**A) Movement in Equity Share Capital:**

<b>Particulars</b>	<b>No. of shares</b>	<b>Amount (₹)</b>
Balance at March 31, 2018	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2019	55,774,000	557,740,000

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

<b>Name of the Shareholder</b>	<b><u>As at March 31, 2019</u></b>		<b><u>As at March 31, 2018</u></b>	
	<b>No. of shares held</b>	<b>% of holding</b>	<b>No. of shares held</b>	<b>% of holding</b>
Sunita Gupta	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	5229418	9.3761	5229418	9.3761
Rituraj Shares & Securities Ltd.	7353581	13.1846	7353581	13.1846
Haresh Collections Pvt Ltd.	10269410	18.4125	10269410	18.4125

**C) 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.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 9</b>		
<b>OTHER EQUITY</b>		
i) Capital Reserve	10,000	10,000
ii) Retained Earnings	<u>(22,028,337)</u>	<u>(23,355,501)</u>
	<u>(22,018,337)</u>	<u>(23,345,501)</u>
<b>i) Capital Reserve</b>		
Opening balance	10,000	10,000
Movement during the year	-	-
<b>Closing balance</b>	<u>10,000</u>	<u>10,000</u>
<b>ii) Retained Earnings</b>		
Opening balance	(23,355,501)	(24,622,571)
Profit for the year	1,484,812	1,267,070
Items of other comprehensive Income recognised directly in retained earnings	(157,648)	-
<b>Closing balance</b>	<u>(22,028,337)</u>	<u>(23,355,501)</u>
<b>NOTE - 10</b>		
<b>OTHER FINANCIAL LIABILITIES (Non Current)</b>		
Others	<u>1,561,240</u>	<u>1,460,879</u>
<b>NOTE - 11</b>		
<b>TRADE PAYABLES (Current)</b>		
Dues to micro enterprises and small enterprises	228,535	216,000
Dues to creditors other than micro enterprises and small enterprises	3,967,309	3,692,528
	<u>4,195,844</u>	<u>3,908,528</u>
<b>NOTE - 12</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) Advances from customers	139,576	125,262
ii) Statutory Liabilities	1,267,172	608,281
iii) Employee benefits payable	1,206,376	951,403
	<u>2,613,123</u>	<u>1,684,946</u>
<b>NOTE - 13</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	<u>681,046</u>	<u>422,377</u>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Software Services (ITES)		
- Exports	13,249,009	8,550,954
- Domestic	22,096,849	17,139,607
	<u>35,345,858</u>	<u>25,690,562</u>
<b>NOTE - 15</b>		
<b>OTHER INCOME</b>		
i) Interest Income:		
- from others	2,288,087	2,044,330
- from Bank Deposits	130,324	126,272
ii) Other Non Operating Income:		
- Other Income (includes share of Loss of M.M. International: Rs. 83379.84)	43,826	119,449
	<u>2,462,237</u>	<u>2,290,052</u>
<b>NOTE - 16</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, wages & bonus	14,577,579	11,725,931
Contribution to Provident Fund & Other Funds	17,008	36,162
Staff welfare expenses	980,397	804,319
	<u>15,574,984</u>	<u>12,566,412</u>
<b>NOTE - 17</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	257,564	296,301
Amortisation of intangible assets	1,832	36,572
	<u>259,396</u>	<u>332,873</u>





**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 18</b>		
<b>OTHER EXPENSES</b>		
Power & Fuel	825,066	838,660
Maintenance Exp.	258,519	261,405
<b><u>Repairs &amp; Maintenance</u></b>		
- Others	520,997	297,270
Rates & taxes	20,877	18,278
Advertisement & Publicity	27,420	20,526
Business Promotion Exp.	987,819	848,910
Legal Expenses	6,400	11,410
Consultancy Charges	828,787	716,715
Cost to Investment Exp	885	1,462
<b><u>Communication Exp</u></b>		
- Telephone Exp.	146,873	336,795
- Bandwidth Charges	281,107	322,538
Bank Charges & Commission	12,992	14,377
Consumables	216,224	147,200
Customer Support	940,240	2,099,490
Software Development Exp.- Oracle	4,238,936	954,121
Travelling Exp	1,318,351	1,128,069
Paypal Charges	158,734	210,414
Penalty on Service Tax	-	1,725
Referral Fee Paid	2,147,740	2,138,450
Income Tax	140,305	-
Swachh Bharat Cess Exp	-	7,540
Director Sitting Fees	14,000	18,300
Other Expenses	1,688,150	1,035,802
<b><u>Statutory Expenses</u></b>		
- Postage for AGM	258,742	254,502
- Printing & Stationery AGM	336,000	240,000
- Share Transfer Fees	50,732	39,103
- Other Statutory Expenses	475,605	437,914
<b><u>Payment to Auditors</u></b>		
To Statutory Auditor		
- Statutory Audit Fee	20,000	15,000
- Internal Audit Fee	30,000	-
To others		
- VAT Audit Fee	-	2,000
- Certification & Taxation matters	8,000	26,000
	<b><u>15,959,499</u></b>	<b><u>12,443,977</u></b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**19. Deferred Taxes :**

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

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

20. The Company has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ('the MSMED Act') has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdue to parties on account of principal amount and / or interest.

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

**22. EarningsPer Share (EPS)**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Net profit attributable to equity shareholders (')	1,295,465	1,264,692
Weighted average number of equity shares outstanding during the year (nos)	55774000	55774000
Face value per share (')	10	10
Earnings per share (')		
- Basic earnings per equity share	0.03	0.02
- Diluted earnings per equity share	0.03	0.02

**23. Employee Benefits Provisions:**

The Company has got the actuarial valuation of employee benefit done at the year end.

**23.1 (a) Table Showing Changes in Present Value of Obligations:**

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	<b>1/4/2017 to 31/3/2018</b>
Present value of the obligation at the beginning of the period	6,47,399	
Interest cost	50,173	
Current service cost	3,41,428	
Past Service Cost	0	
Benefits paid (if any)	0	
Actuarial (gain)/loss	(63,507)	
Present value of the obligation at the end of the period	9,75,493	6,47,399

**23.1.(b): Bifurcation of total Actuarial (gain) / loss on liabilities**

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	0
Experience Adjustment (gain)/ loss for Plan liabilities	(63,507)
Total amount recognized in other comprehensive Income	(63,507)

**23.2 Key results (The amount to be recognized in the Balance Sheet):**

<b>Period</b>	<b>As on 31/3/2019</b>	<b>As on 31/3/2018</b>
Present value of the obligation at the end of the period	9,75,493	6,47,399
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	9,75,493	6,47,399
Funded Status - Surplus/ (Deficit)	(9,75,493)	(6,47,399)



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

23.2 (a) Expense recognized in the statement of Profit and Loss:

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Interest cost	50,173
Current service cost	3,41,428
Past Service Cost	0
Expected return on plan asset	0
Expenses to be recognized in P&L	3,91,601

23.2 (b) Other comprehensive (income) / expenses (Remeasurement):

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Cumulative unrecognized actuarial (gain)/loss opening. B/F	0
Actuarial (gain)/loss - obligation	(63,507)
Actuarial (gain)/loss - plan assets	0
Total Actuarial (gain)/loss	(63,507)
Cumulative total actuarial (gain)/loss. C/F	(63,507)

23.2 (c) Net Interest Cost

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Interest cost on defined benefit obligation	50,173
Interest income on plan assets	0
Net interest cost (Income)	50,173

23.3 Experience adjustment:

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Experience Adjustment (Gain) / loss for Plan liabilities	(63,507)
Experience Adjustment Gain / (loss) for Plan assets	0

23.4 Summary of membership data at the date of valuation and statistics based thereon:

<b>Period</b>	<b>As on 31/3/2019</b>	<b>As on 31/3/2018</b>
Number of employees	40	33
Total monthly salary	12,40,404	10,02,303
Average Past Service(Years)	2.0	1.8
Average Future Service (yr)	27.0	28.4
Average Age(Years)	33.0	31.6
Weighted average duration (based on discounted cash flows) in years	26	27
Average monthly salary	31,010	30,373

23.5 The assumptions employed for the calculations are tabulated:

Discount rate	7.75 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

23.6 Benefits valued:

Normal Retirement Age	60 Years	60 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

23.7 Current Liability (\*Expected payout in next year as per schedule III of the Companies Act, 2013) :

<b>Period</b>	<b>As on 31/3/2019</b>	<b>As on 31/3/2018</b>
Current Liability (Short Term)*	32,520	25,560
Non Current Liability (Long Term)	9,42,973	6,21,839
Total Liability	9,75,493	6,47,399

23.8 Effect of plan on entity's future cash flows:

23.8 (a) Funding arrangements and funding policy

Not Applicable

23.8 (b) Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year	4,96,308	3,76,989
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23.8 (c) Maturity profile of defined benefit obligation

Weighted average duration (based on discounted cash flows) in years	26	27
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23.8 (d) Estimate of expected benefit payments

(In absolute terms i.e. undiscounted)

01 Apr 2019 to 31 Mar 2020	55,827
01 Apr 2020 to 31 Mar 2021	47,816
01 Apr 2021 to 31 Mar 2022	53,259
01 Apr 2022 to 31 Mar 2023	68,580
01 Apr 2023 to 31 Mar 2024	74,375
01 Apr 2024 Onwards	11,77,440

23.9 Projection for next period:

Best estimate for contribution during next Period	4,96,308
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23.10 Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

<b>Period</b>	<b>As on 31/3/2019</b>
Defined Benefit Obligation (Base)	9,75,493 @ Salary Increase Rate : 5%, and discount rate :7.75%
Liability with x% increase in Discount Rate	8,75,197; x=1.00% [Change (10)% ]
Liability with x% decrease in Discount Rate	10,96,157; x=1.00% [Change 12% ]
Liability with x% increase in Salary Growth Rate	10,98,328; x=1.00% [Change 13% ]
Liability with x% decrease in Salary Growth Rate	8,71,925; x=1.00% [Change (11)% ]
Liability with x% increase in Withdrawal Rate	9,94,185; x=1.00% [Change 2% ]
Liability with x% decrease in Withdrawal Rate	9,51,126; x=1.00% [Change (2)% ]

23.11 Reconciliation of liability in balance sheet

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Opening gross defined benefit liability/ (asset)	6,47,399
Expenses to be recognized in P&L	3,91,601
OCI- Actuarial (gain)/ loss-Total current period	(63,507)
Benefits paid (if any)	0
Closing gross defined benefit liability/ (asset)	9,75,493



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**24. Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31st March 2019.

Name of the related parties and related party relationships

**i) Related Party where control exists**

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

**ii) Key management personnel**

<u>Name Of The Person</u>	<u>Designation</u>
Ajay Kumar Agarwal	Executive Director
Sagar Mal Gupta	Non-Executive Director
Arpita Gupta	Non-Executive Director
Vikash Kamani	Independent Director
Sushil Kumar Gupta	Independent Director
Leela Murjani	Independent Director
Mahesh Gupta	Chief Executive Officer
Biswarup Maity	Chief Financial Officer
Pritika Gupta	Company Secretary (upto 26-07-2018)
Rupal Poddar	Chief Financial Officer (w.e.f 26-07-2018)

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

Leena Consultancy  
Rituraj Shares & Securities Ltd.  
Rituraj Shares & Securities

**iv) Transactions with related parties**

Payment To Key Managerial Personnel

		<b>Year ended 31 March 2019 (₹)</b>	<b>Year ended 31 March 2018 (₹)</b>
Sushil Kumar Gupta	Director Sitting Fees	6,000/-	10,000/-
Leela Murjani	Director Sitting Fees	8,000/-	8,000/-
Company Secretary	Salary	1,45,890/-	1,86,011/-
CFO	Salary	3,16,374/-	1,96,398/-

**v) Year End Balances with related parties:**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2019 (₹)</b>	<b>As at 31<sup>st</sup> March 2018 (₹)</b>
<b>Loan to wholly owned subsidiary :</b>		
Lensel Web Services Pvt. Ltd.	67,824,435/-	46,252,837/-
Rituraj Shares Broking Pvt. Ltd.	30,336,500/-	-
<b>Trade Receivables :</b>		
Leena Consultancy	46,83,212/-	46,83,212/-
Rituraj Shares & Securities Ltd.	1,399,539/-	-
Rituraj Shares & Securities	34,62,886/-	34,62,886/-



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**25. Fair value measurement:**

**A. Category wise classification of financial instruments**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2019 (₹)</b>	<b>As at 31<sup>st</sup> March 2018 (₹)</b>
<b>a. Financial assets</b>		
<b>i. Designated at fair value through other comprehensive income (FVTOCI)</b>		
Investments in Quoted Equity Instruments (refer note (i) below)	92,912/-	44,453/-
Investment in Quoted Mutual Fund	15,64,954/-	-
<b>ii. Carried at cost</b>		
Trade Receivable	11,284,235/-	99,48,314/-
Loans	1,47,329,512/-	65,25,630/-
Others	15,39,704/-	18,34,077/-
Cash and Cash Equivalents	59,91,683/-	7,69,782/-
<b>iii. Measured at Cost</b>		
Investments in Unquoted Equity Instruments	10,835/-	12,335/-
Investment in Equity Shares of - Subsidiary Company	33,252,551/-	33,252,551/-
Investment in Mutual Fund	-	999,995/-
Investment in Partnership Firm	33,251,819/-	26,833,969/-
<b>Total Financial Assets</b>	<b>2,34,318,205/-</b>	<b>80,291,606/-</b>
<b>b. Financial Liabilities</b>		
<b>Measured at Amortized Cost</b>		
Trade Payables	41,95,844/-	39,08,528/-
Other Financial Liabilities	15,61,240/-	14,60,879/-
<b>Total Financial Liabilities</b>	<b>57,57,084/-</b>	<b>53,69,407/-</b>

Notes:

- These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Company has chosen to measure these investments in quoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the standalone statement of profit and loss may not be indicative of the performance of the Company.
- The management assessed that the fair value of cash and cash equivalents, loans, Trade receivables, other advance, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

**B. Fair value hierarchy**

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

The Categories used are as follows:

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

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

Particulars	Level 1	Level 2	Level 3
<u>As at 31st March, 2019</u>			
<b>Designated at fair value through other comprehensive income (FVTOCI)</b>			
Investments in Quoted Equity Instruments	92,912/-	-	-
Investments in Quoted Mutual Fund	1,564,954/-	-	-

As at 31st March, 2018

### **Designated at fair value through other comprehensive income (FVTOCI)**

Investments in Quoted Equity Instruments	44,453/-	-	-
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### **C. Computation of Fair Values**

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

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

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

## **26. Financial risk management**

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

### **a. Credit risk:**

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



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**i) Trade receivables**

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

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

**ii) Other financial instruments**

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

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

**b. Market risk:**

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

- i) Currency risk** – The Company has made a well defined currency hedging Policy which helps in controlling risk arisen from currency fluctuations and volatility.
- ii) Cyber Security Risks** - Cyber Security and quality management are few key areas of concern in today's information age. To overcome such concerns in today's global IT scenario, an increasing number of IT-BPO companies in India have gradually started to emphasize on quality to accept global standards such as ISO 9001 (for quality management) and ISO 27000 (for information security). Today, centers based in India account for the largest number of quality certifications achieved by any single country.
- iii) Concentration Risk** - Regional concentration as well as vertical concentration can adversely impact Company's business in case of a slowdown.
- iv) Competition Risk**- The ever –increasing competition poses a key risk in terms of acquiring client business as well as human talent. Lee & Nee Softwares (Exports) Ltd. has enhanced their value in the proposition of its customers by way of deepening its domain expertise, technological capabilities and customer engagement, on the human capital front, Lee & Nee Softwares (Exports) Ltd. Brand equity and best in class HR principles and practices has made it a preferred employer.
- v) Regulatory Risk**- Legislation in various countries in which we operate including the US,UK , Australia, Canada and Middle East 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





**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

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

**c. Liquidity risk:**

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

**d. Capital Management:**

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

**27.** The previous year figures have been regrouped, reclassified and restated, wherever necessary, to correspond with the current year's classification.

In terms of our report attached

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

**Sonu Jain**  
Partner  
Membership No.: 060015

Place : Kolkata  
Date : 15th May, 2018

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

**Ajay Kumar Agarwal**  
Director (DIN : 01265141)

**Biswarup Maity**  
Chief Financial Officer

**Arpita Gupta**  
Director (DIN : 02839878)

**Rupal Poddar**  
Company Secretary



## **INDEPENDENT AUDITORS REPORT**

To,

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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Lee & Nee Softwares (Exports) Ltd ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

#### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs



(consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management and Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 the 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated in India, as on 31st March, 2019 and taken on record by the Board of Directors of respective Companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- 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 Group Company does not have any pending litigations which would impact its financial position in its Consolidated Financial Statements.
  - ii) The Group Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) The Group Company did not have any amount which had fallen due and required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sonu Jain**  
Partner

Membership No.:060015

Place: Kolkata  
Date: 15th May, 2019



## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

In conjunction with our audit of the consolidated financial statements of Lee and Nee Softwares (Exports) Limited ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are 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 subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding company and its subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 respective entity'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 Act.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and its subsidiary companies 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 31<sup>st</sup>, 2019, based on the Internal Financial Control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata  
Date: 15th May, 2019

**Sonu Jain**  
Partner  
Membership No.:060015



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

	NOTES	AS AT 31.03.2019 Amount (₹)	AS AT 31.03.2018 Amount (₹)
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	890,760	873,508
(b) Goodwill	3	243,934,701	243,934,701
(c) Intangible Assets	3	73,700	75,532
(d) Financial Assets			
i) Investments	4.1	40,081,589	33,150,487
ii) Trade Receivables	4.2	31,318,508	29,947,202
iii) Loans	4.3	61,680,433	30,292,778
iv) Others Financial Assets	4.4	1,539,704	1,834,077
(e) Other Non-Current Assets	5	99,330,807	195,231,893
		<u>478,850,203</u>	<u>535,340,177</u>
<b>Current Assets</b>			
(a) Financial Assets			
i) Investments	6.1	11,438,836	15,185,299
ii) Trade Receivables	6.2	1,966,937	1,774,913
iii) Cash and Cash Equivalents	6.3	6,745,297	2,999,826
iv) Loans	6.4	55,380,612	60,000
(b) Other Current Assets	7	4,992,936	3,905,560
		<u>80,524,618</u>	<u>23,925,599</u>
<b>TOTAL ASSETS</b>		<u><b>559,374,821</b></u>	<u><b>559,265,776</b></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	557,740,000	557,740,000
(b) Other Equity	9	(10,365,357)	(7,725,369)
		<u>547,374,643</u>	<u>550,014,631</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
Other Financial Liabilities	10	1,561,240	1,460,879
(b) Other Non current Liabilities	11	30,817	55,992
		<u>1,592,056</u>	<u>1,516,871</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	12.1	1,490,000	60,000
ii) Trade Payables	12.2	4,843,314	4,819,401
(b) Other Current Liabilities	13	3,266,636	2,314,947
(c) Provisions	14	808,171	539,925
		<u>10,408,121</u>	<u>7,734,274</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>559,374,821</b></u>	<u><b>559,265,776</b></u>
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements 1 to 28

In terms of our report attached

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

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Regn. Number: 324386E

**Sonu Jain**

Partner

Membership No.: 060015

Kolkata, 15th May, 2019

**Ajay Kumar Agarwal**

Director (DIN : 01265141)

**Biswarup Maity**

Chief Financial Officer

**Arpita Gupta**

Director (DIN : 02839878)

**Rupal Poddar**

Company Secretary



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

	NOTE NO.	Year ended 31.03.2019 Amount (₹)	Year ended 01.04.2018 Amount (₹)
I	Revenue From Operations	42,785,056	35,448,907
II	Other Income	6,486,942	3,889,400
III	<b>Total Income (I + II)</b>	<b>49,271,998</b>	<b>39,338,307</b>
IV	<b>EXPENSES</b>		
(a)	Purchase (Software & Service)	5,602,364	2,240,374
(b)	Employee benefit expense	20,391,006	17,004,722
(c)	Depreciation and amortization expense	282,480	372,848
(d)	Other expenses	22,768,693	17,897,575
	<b>Total Expenses</b>	<b>49,044,543</b>	<b>37,515,519</b>
V	<b>Profit before tax (III - IV)</b>	<b>227,455</b>	<b>1,822,788</b>
VI	<b>Tax expense</b>		
(a)	Current tax	62,023	-
(b)	Deferred tax	-	-
	<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>
VII	<b>Profit for the period (V - VI)</b>	<b>165,432</b>	<b>1,822,788</b>
VIII	<b>Other comprehensive income</b>		
	Items that will not be reclassified to statement of profit and loss		
(a)	Changes in Fair Value of Equity Instruments through Other Comprehensive Income	(2,602,098)	(29,966)
(b)	Income tax relating to item (a) above	-	-
	<b>Other comprehensive income (net of Tax)</b>	<b>(2,602,098)</b>	<b>(29,966)</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b>	<b>(2,436,666)</b>	<b>1,792,823</b>
X	<b>Earning per equity share</b>		
(a)	Basic	-0.04	0.03
(b)	Diluted	-0.04	0.03

Summary of significant accounting policies 2

The accompanying notes 1 to 28 are an integral part of the financial statements

In terms of our report attached

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

**Sonu Jain**  
Partner  
Membership No.: 060015

Place : Kolkata  
Date : 15th May, 2019

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

**Ajay Kumar Agarwal**  
Director (DIN : 01265141)

**Biswarup Maity**  
Chief Financial Officer

**Arpita Gupta**  
Director (DIN : 02839878)

**Rupal Poddar**  
Company Secretary





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

SI No.	PARTICULARS	Year ended 31.03.2019		Year ended 31.03.2018	
		Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<b>I.</b>	<b>CASH FLOWS</b>				
1	<u>From Operating Activities</u>				
	(a) Net Profit / (Loss) before tax from Operating Activities		165,432		1,822,789
	Adjustments:				
	Depreciation and amortisation	282,480		372,848	
	Interest Income	(5,840,732)		(3,477,901)	
	Other Income	(43,877)	(5,602,128)	(411,499)	(3,516,552)
	Operating Profit/ (Loss) before working capital changes		(5,436,696)		(1,693,763)
	(b) Working Capital changes:				
	Decrease/ ( Increase) in trade receivables	(1,563,331)		314,523	
	Decrease/ (Increase) in other current assets	(1,087,376)		(1,353,547)	
	Increase/ ( Decrease) in Trade Payables	23,913		1,868,073	
	Increase/ ( Decrease) in Borrowings	1,430,000		-	
	Increase/ ( Decrease) in other current liabilities	951,688		(164,538)	
	Increase/ ( Decrease) in provisions	268,246	23,141	255,910	920,421
	Cash generated from Operating Activities		(5,413,556)		(773,342)
	Income Taxes Paid		-		-
	Taxes relating to earlier year		-		-
	<b>Net Cash from Operating Activities</b>	<b>Total of (1)</b>	<b>(5,413,556)</b>	<b>(773,342)</b>	
2	<u>From Investing Activities</u>				
	Purchase of Fixed Aseets	7,899		(305,703)	
	Purchase/Sale of Investment	(5,786,738)		(2,518,479)	
	Decrease/(Increase) in loans	(55,320,612)		(58,127)	
	Decrease/(Increase) in non current loans	(31,387,655)		-	
	Decrease/(Increase) in other Financial Assets	294,373		(108,499)	
	Decrease/(Increase) in other non current Assets	95,901,086		(2,797,108)	
	Decrease/(Increase) in other Financial Liabilities	100,361		(18,000)	
	Decrease/(Increase) in other non current Liabilities	(25,175)		2,625,420	
	Interest received	5,840,732		3,477,901	
	Other income	43,877		411,499	
	<b>Net Cash from Investing Activities</b>	<b>Total of (2)</b>	<b>9,362,348</b>	<b>708,904</b>	
3	<u>From Financing Activities</u>				
	Decrease/(Increase) in other Equity		(203,322)		-
	<b>Total of (3)</b>		<b>(203,322)</b>		-
<b>II.</b>	<b>Net (decrease)/increase in Cash and Bank Balances (I-II)</b>	<b>Total Cash flows (1+2+3)</b>	3,745,471		(64,438)
	Add: Cash and Bank Balances at the beginning of the period		2,999,826		3,064,264
<b>III.</b>	<b>Cash and Bank Balances at the end of the period (Refer Note 6.3)</b>		<b>6,745,297</b>		<b>2,999,826</b>

In terms of our report attached

For **Jain Sonu and Associates**

Chartered Accountants

Firm's Regn. Number: 324386E

**Sonu Jain**

Partner

Membership No.: 060015

Kolkata, 15th May, 2019

**Ajay Kumar Agarwal**

Director (DIN : 01265141)

**Biswarup Maity**

Chief Financial Officer

**Arpita Gupta**

Director (DIN : 02839878)

**Rupal Poddar**

Company Secretary



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**A. EQUITY SHARE CAPITAL**

<b>PARTICULARS</b>	<b>AMOUNT (₹)</b>
<b>As at 31 March 2018</b>	<b>55,774,000</b>
Changes in equity share capital	-
<b>As at 31 March 2019</b>	<b>55,774,000</b>

**B. OTHER EQUITY**

<b>PARTICULARS</b>	<b>RESERVES AND SURPLUS</b>		<b>TOTAL</b>
	<b>Capital Reserve</b>	<b>Retained Earnings</b>	
<b>Balance as at 31 March 2018</b>	<b>13,582,487</b>	<b>(21,307,856)</b>	<b>(7,725,369)</b>
Profit for the year	-	165,432	165,432
Other comprehensive income	-	(2,602,098)	(2,602,098)
<b>Balance as at 31 March 2019</b>	<b>13,582,487</b>	<b>(23,744,522)</b>	<b>(10,162,035)</b>

In terms of our report attached

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

**Sonu Jain**  
Partner  
Membership No.: 060015

Place : Kolkata  
Date : 15th May, 2019

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

**Ajay Kumar Agarwal**  
Director (DIN : 01265141)

**Biswarup Maity**  
Chief Financial Officer

**Arpita Gupta**  
Director (DIN : 02839878)

**Rupal Poddar**  
Company Secretary



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**NOTE - 1**

**Background**

The Consolidated Financial Statements comprise financial statements of Lee & Nee Softwares (Exports) Ltd. ("the Holding Company") and its Subsidiaries (collectively referred to "the Group") for the year ended 31 March 2019.

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

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

<b>Name of the Subsidiary Companies</b>	<b>Country of Incorporation</b>	<b>Financial year ended</b>	<b>Holding Company's Interest</b>
Rituraj Shares Broking Pvt. Ltd	India	31.03.2019	100.00%
Lensel Web Services Pvt. Ltd.	India	31.03.2019	100.00%

These financial statements are approved by the Company's Board of Directors on 15<sup>th</sup> May 2019.

**NOTE - 2**

**Significant accounting policies**

- Basis of Preparation of Financial Statements:** The Consolidated financial statements in all material aspects have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. 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.
- Historical cost Convention:** The Consolidated financial statements have been prepared on a historical cost basis, except the financial assets (investments) & financial liabilities, if any which are measured at fair value. They are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income.
- Use of Estimates :** Preparation of consolidated financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Differences between actual results and estimates are recognised in the period in which they materialize.

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

*Income tax:*

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

*Property, plant and equipments:*

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and its residual value at the end of its life. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



*Measurement of defined benefit obligations:*

The Group's defined benefit obligation to its employees and net periodic defined benefit cost / income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans. Actuarial gains / losses, the sensitivity analysis for changes in estimates are disclosed under relevant Notes.

*Impairment of assets:*

Refer note 2 (f), (h) and (j) for details.

*Estimation of provisions and contingencies:*

Refer note 2 (l), 14 for details.

*Recognition of deferred tax assets:*

Refer note 2 (r) for details.

*Fair value measurements:*

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

**d. Basis of Consolidation**

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

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

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

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

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

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



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

**Consolidation procedure:**

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

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

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

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

- e. **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.

The Group derives revenue primarily from software development and related services. Revenue is measured at the fair value of the consideration received or receivable.

The Group adopted Ind AS 115 - "Revenue from Contracts with Customers" from 1st April 2018 using the cumulative catch-up transition method. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 - "Significant Accounting Policies," in the Company's Annual Report for the year ended 31st March 2018 for policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue disclosed is net of discounts and Goods and service tax. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The Group has to apply the principles of revenue recognition to each of the distinct performance obligation and transaction price is recognized for each of the performance obligation of the contract.

The Group recognizes revenue when the performance obligations as promised have been satisfied with a transaction price and when where there is no uncertainty as to measurement or collectability of the consideration.

Recognition criteria for various types of contracts are as follows:

**Time and Material Contracts:**

Revenue from time-and-material contracts is recognized based on the time / efforts spent and billed to clients.

**Fixed-Price Contracts:**

In case of fixed-price contracts, revenue is recognized based on percentage of completion basis. Where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

**Sale of products:**

Revenue from sale of third party software products and hardware is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on physical or electronic dispatch of goods.



Unearned revenues represent billing in excess of revenue recognized on software development and service contracts and is included in Other Current Liabilities until the above revenue recognition criteria is met. Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers"

**Other Income**

Other income primarily comprises of interest, dividend. Interest income is recognized in the Statement of Profit and Loss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profit and Loss when the right to receive payment is established.

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

Recognition and Initial measurement:

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

**Subsequent measurement (depreciation and useful lives):**

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

Furniture and fixtures 10 years

Office equipments 3 - 5 years

Buildings 60 years

**De-recognition:**

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

**g. Intangible assets:**

Technical know - how fees / acquired computer software and licenses are capitalized on the basis of costs incurred to bring the specific intangibles to its intended use. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets/Software Licences are amortized on their respective individual estimated useful lives on a written down value basis, commencing from the date the assets is available to the company for its use.

The estimated useful lives are as mentioned below:

Computer Software & Licences 3 Years.

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

Assessment for impairment is done at each Balance Sheet date when there is an indication that a non-financial asset may be impaired. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the standalone statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date



as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the standalone statement of profit and loss.

**i. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date of investment made are classified as Current Investments. All investments other than long term investments are classified as non-current investments. Investment are valued accordance with the applicable Ind AS.

**j. Financial instruments**

**i) Initial recognition**

The Group recognizes financial assets and financial liabilities when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii) Subsequent measurement**

*Financial assets carried at amortized cost*

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through other comprehensive income*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, the subsequent changes in fair value are recognized in Other Comprehensive Income.

*Equity instruments:*

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

*Investments in mutual funds:*

Investments in mutual funds are measured at fair value at each balance sheet date.

**iii) Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for Derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**.k. Foreign currency transactions**

Functional currency and presentation currency:

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



**Transactions and balances:**

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

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

**Provisions:**

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the amount can be reliably estimated. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

A disclosure for contingent liability is made when there is a possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and that may, but not probable that an outflow of resources would be required to settle the obligation. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**m. Employee benefits expense**

**Defined contribution plans:**

The Group provides defined contribution plan for post-employment benefits in the form of provident fund and Employee State insurance benefit scheme administered by Regional Provident Fund Commissioner and the ESI's authorities respectively. The Group's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when incurred.

**Defined benefit plans:**

The Group also provides for Gratuity and Leave Encashment based on actuarial valuation made by an independent actuary as per Ind AS 19 Compliance of The Institute of Chartered Accountants of India. Actuarial gains / losses are disclosed under relevant Notes.

**Termination benefits:**

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

- i) when the Group can no longer withdraw the offer of those benefits; or
- ii) when the Group recognizes a restructuring cost within the scope of Ind AS 37.

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

**n. Borrowings:**

The Group has not borrowed any sums.

**o. Inventories:**

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

**p. Cash and Cash Equivalents:**

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

**q. Leases:**

*Finance lease*

The one of the Subsidiary Companies has acquired certain building on finance lease. Such lease arrangements are for a period of 99 years and the entire lease rentals has been paid upfront at the time of initiation of the lease. The Subsidiary





Company has recognized these building so acquired as owned assets instead of lease under property, plant and equipment at an amount equal to the upfront lease payment plus initial direct costs. Such amount is amortized over the estimated life of the assets under straight line method.

*Operating lease*

The Group has not taken any property on Operating lease.

*r. Income tax:*

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

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

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

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

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

*s. Segment reporting:*

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

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

*t. Earnings per Share:*

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

*u. Recent accounting pronouncements*

Certain new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 April 2019, and have not been applied in preparing these consolidated financial statements. New standards, amendments to standards and interpretations that could have potential impact on the consolidated financial statements of the Company are:



1. *Ind AS 116 – Leases*

Ind AS 116 on Leases notified by The Ministry of Corporate Affairs on 30th March 2019, effective for financial periods beginning from 1st April 2019, replaces the existing standard Ind AS 17 on Leases. The revised Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all both operating and finance leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses to the lessee are charged to the statement of Profit & Loss as and when incurred. Ind AS 116 does not envisage any difference in accounting of lease income for the lessor as compared the erstwhile standard. The revised Standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

- Full retrospective – Recognize assets and liabilities relating to lease commitments retrospectively in each prior period, applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Recognized the right to use (ROU) asset at the date of initial application by measuring the same at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 on the date of initial application (April 1, 2019). Accordingly, the comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Management is in the process of assessing the impact on adoption of Ind AS 116 and does not expect the same to be significant .

2. *Ind AS 12 – Accounting for taxes on income*

The Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes' on 30th

March 2019, in connection with accounting for dividend distribution taxes. As per the amendment, an entity shall recognize the consequence of income tax on dividends in profit or loss, other comprehensive income or equity, according to where the entity originally recognized the same. The amendment is effective date from financial periods beginning on or after April 1, 2019.

*Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments* : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C relating to Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. Accordingly, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the amendments to the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

3. *Ind AS 19 – Employee Benefits*

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

Amount (₹)

GROSS CARRYING AMOUNT	PROPERTY, PLANT AND EQUIPMENT			GOODWILL	INTANGIBLE ASSETS (Computer Software)
	Buildings (Leasehold Premises)	Plant & Equipment	Furniture & Fixtures		
<b>Cost or valuation</b>					
<b>At 31 March 2018</b>	6,693,301	6,056,458	663,832	243,934,701	1,478,612
Add : Additions	-	297,899	-	-	-
Less : Disposals / Write off	-	-	-	-	-
Less : Capitalised during the year	-	-	-	-	-
Less : Classified as held for sale	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6,693,301</b>	<b>6,354,357</b>	<b>663,832</b>	<b>243,934,701</b>	<b>1,478,612</b>
<b>Accumulated Depreciation / Amortization / Impairment</b>					
<b>At 31 March 2018</b>	6,437,588	5,469,501	632,994	-	1,403,080
Depreciation charge for the year	12,892	267,321	435	-	1,832
Disposals	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-
<b>At 31 March 2019</b>	<b>6,450,480</b>	<b>5,736,821</b>	<b>633,429</b>	<b>-</b>	<b>1,404,912</b>
<b>Net Book Value</b>					
At 31 March 2019	242,821	617,537	30,403	243,934,701	73,700
At 31 March 2018	255,713	586,957	30,838	243,934,701	75,532


**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**NOTE - 4.1 INVESTMENTS**

Particulars	Face Value (₹)	31.03.2019	Numbers 31.03.2018	31.03.2019	Amount (₹) 31.03.2018
<b>Quoted, fully paid up:</b>					
Investments in Equity Instruments					
<i>Carried at Fair Value through OCI</i>					
- Hindustan Construction Ltd.	1	100	100	1,501	2,230
- Mahindra Lifespace Developers Ltd.	10	2	2	719	885
- Hindustan Motor Ltd.	5	100	100	734	705
- Century Extrusions Ltd.	1	200	200	1,172	954
- ICICI Bank Ltd.	2	181	65	72,192	18,096
- PCS Technologies Ltd.	10	50	50	468	1,500
- NTC Industries Ltd.	10	100	100	4,310	4,235
<b>Sub total of quoted investments in equity (A)</b>				<b>81,096</b>	<b>28,605</b>
Investments in Equity Debentures					
<i>Carried at Fair Value through OCI</i>					
- Finolex Pipe Ltd.	2	25	25	12,535	16,733
<b>Sub total of quoted investments in debentures (B)</b>				<b>12,535</b>	<b>16,733</b>
<b>Aggregate amount of quoted investments (A+B)</b>				<b>93,631</b>	<b>45,338</b>
<b>Unquoted, fully paid up:</b>					
Investments in Equity Instruments					
<i>Measured at Cost</i>					
- Enkay Texofood Ltd.		106	106	2,120	2,120
- Neena Consultants Ltd.		100	100	515	515
- Philips India Ltd.		100	100	8,200	8,200
- Rituraj Shares & Securities Ltd.	10	26905	26905	2,503,000	2,603,000
- Haresh Collections Pvt Ltd	10	7250	7250	2,657,350	2,657,350
<b>Aggregate amount of unquoted investments</b>				<b>5,171,185</b>	<b>5,271,185</b>
<b>Quoted , fully paid up:</b>					
Investments in Mutual Fund					
<i>Carried at Fair Value Through OCI</i>					
- ICICI Prudential balanced Advantage Fund		32,165.771	26213.950	1,136,738	800,000
- UTI Floating Rate Fund		68.319	28.442	206,935	79,995
- UTI Wealth Builder Fund		6540.726	3578.580	221,281	120,000
<b>Aggregate amount of investment in Mutual Fund</b>				<b>1,564,954</b>	<b>999,995</b>
<b>Investments in Partnership Firm:</b>					
- M. M. International				33,251,819	26,833,969
<i>Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 1461662.18)</i>					
<b>Aggregate amount of investment in Partnership Firm</b>				<b>33,251,819</b>	<b>26,833,969</b>
<b>TOTAL</b>				<b>40,081,589</b>	<b>33,150,487</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
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**NOTE - 4.2**

**TRADE RECEIVABLES (Non Current)**

Unsecured, Considered Good

31,318,508	29,947,202
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**NOTE - 4.3**

**LOANS (Non Current)**

Unsecured, Considered Good

i) Security Deposit	268,695	268,695
ii) Other Loans (Interest accrued thereon)	61,411,738	30,024,083
	61,680,433	30,292,778

**NOTE - 4.4**

**OTHER FINANCIAL ASSETS (Non Current)**

Deposits with more than 12 months maturity

1,539,704	1,834,077
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**NOTE - 5**

**OTHER NON CURRENT ASSETS**

Unsecured, Considered Good

i) Deposits with Govt. and others	461,846	666,265
ii) MAT credit entitlement	1,109,367	895,769
iii) Other Advances (Trade Advances)	97,759,593	193,669,858
	99,330,807	195,231,893

**NOTE - 6.1**

**INVESTMENTS (Current)**

<b>Particulars</b>	<b>Face Value (₹)</b>	<b>31.03.2019</b>	<b>Numbers 31.03.2018</b>	<b>31.03.2019</b>	<b>Amount (₹) 31.03.2018</b>
<b>Quoted, fully paid up:</b>					
Investments in Equity Instruments					
<i>Carried at Fair Value through OCI</i>					
- Balrampur Chini Mills Ltd	1	-	250	-	18,913
- eClerx Services Limited	10	-	125	-	150,400
- Ramkrishna Forgings Limited	10	827	1,223	432,480	859,341
- Emkay Global Financial Services Ltd.	10	3,000	3,000	315,000	444,750
- Greencrest Financial Services Ltd	1	5,000	5,000	7,250	164,750
- GVK Power & Infrastructure Ltd	1	5,499	4,999	42,507	70,736
- Indiabulls Real Estate Limited	2	3,250	3,250	299,650	588,575
- Kaya Ltd	10	500	500	357,775	524,125
- Kewal Kiran Clothing Limited	10	-	200	-	304,310
- Kesar Terminals & Infrastructure Ltd	5	2,000	2,000	126,000	255,500
- Sri Adhikari Brothers Television Network Limited	10	1,000	-	4,980	-
- Selan Exploration Technology Ltd	10	1,275	1,000	232,178	190,050

Contd.....



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**NOTE - 6.1 (Contd...)**

**INVESTMENTS (Current)**

Particulars	Face Value (₹)	Numbers		Amount (₹)	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
- Sumeet Industries Ltd	10	12,500	10,000	51,000	155,500
- Viceroy Hotels Ltd	10	2,000	2,000	7,080	24,700
- Welspun Enterprises Ltd	10	1,000	3,000	106,200	424,050
- Zee Media Corporation Ltd	1	3,000	3,000	55,050	114,600
<b>Aggregate amount of quoted investments</b>				<b>2,037,149</b>	<b>4,290,299</b>

**Quoted, fully paid up:**

Investments in Mutual Fund

*Carried at Fair Value Through OCI*

- ICICI Prudential Fund - Growth	6,730.528	2,725.20	237,857	90,000
- HDFC Mid-cap Opportunity Fund - Growth	-	682.15	-	40,000
- Aditya Birla Sun Life Equity Fund	-	30.80	-	20,000
- HDFC Prudent Fund - Dividend	308,162.554	326,677.70	9,163,830	10,385,000
- HDFC Prudent Fund - Growth	-	280.27	-	140,000
- HDFC Small Cap Fund - Growth	-	4872.09	-	200,000
- Reliance Small Cap Fund	-	543.06	-	20,000

<b>Aggregate amount of investment in Mutual Fund</b>			<b>9,401,687</b>	<b>10,895,000</b>
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<b>TOTAL</b>			<b>11,438,836</b>	<b>15,185,299</b>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 6.2</b>		
<b>TRADE RECEIVABLES (Current)</b>		
Unsecured, Considered Good	<u>1,966,937</u>	<u>1,774,913</u>
<b>NOTE - 6.3</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
i) Balance with Banks:		
- In Current Account	5,746,892	1,003,799
ii) Cash on Hand	998,405	1,846,027
iii) Bank Deposits	-	150,000
	<u>6,745,297</u>	<u>2,999,826</u>
<b>NOTE - 6.4</b>		
<b>LOANS (Current)</b>		
Unsecured, Considered Good		
Security Deposit	63,500	60,000
Other Loans ( Interest Accrued There On)	31,070,753	-
Inter Corporate Deposit	<u>24,246,359</u>	<u>-</u>
	<u>55,380,612</u>	<u>60,000</u>
* The Company has given inter corporate depsoit to its 100% subsidiary Rituraj Shares Broking Pvt Ltd.		
<b>NOTE - 7</b>		
<b>OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
i) Deposits with Govt. and others	4,929,386	3,788,923
ii) Employee Advances	-	15,000
iii) Other Advances (Trade Advances)	<u>63,549</u>	<u>101,637</u>
	<u>4,992,936</u>	<u>3,905,560</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
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**NOTE - 8**

**EQUITY SHARE CAPITAL**

**Authorised**

60,000,000 Equity Shares of Rs.10 each (Previous years : 60,000,000 Equity Shares)	600,000,000	600,000,000
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**Issued, Subscribed and Fully Paid**

55,774,000 Equity Shares of Rs.10 each (Previous years : 55,774,000 Equity Shares)	557,740,000	557,740,000
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**A) Movement in Equity Share Capital:**

<b>Particulars</b>	<b>No. of shares</b>	<b>Amount (₹)</b>
Balance at March 31, 2018	55,774,000	557,740,000
Movement during the year	-	-
Balance at March 31, 2019	55,774,000	557,740,000

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

<b>Name of the Shareholder</b>	<b><u>As at March 31, 2019</u></b>		<b><u>As at March 31, 2018</u></b>	
	<b>No. of shares held</b>	<b>% of holding</b>	<b>No. of shares held</b>	<b>% of holding</b>
Sunita Gupta	8573533	15.3719	8573533	15.3719
Neena Gupta	4801772	8.6093	4801772	8.6093
Rajkumari Agarwal	5229418	9.3761	5229418	9.3761
Rituraj Shares & Securities Ltd.	7353581	13.1846	7353581	13.1846
Haresh Collections Pvt Ltd.	10269410	18.4125	10269410	18.4125

**C) 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.





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 9</b>		
<b>OTHER EQUITY</b>		
i) Capital Reserve	13,582,487	13,582,487
ii) Retained Earnings	<u>(23,947,844)</u>	<u>(21,307,856)</u>
	<u>(10,365,357)</u>	<u>(7,725,369)</u>
<b>i) Capital Reserve</b>		
Opening balance	13,582,487	13,582,487
Movement during the year	-	-
<b>Closing balance</b>	<u>13,582,487</u>	<u>13,582,487</u>
<b>ii) Retained Earnings</b>		
Opening balance	(21,307,856)	(23,100,679)
Profit for the year	(2,436,666)	1,792,823
Items of other comprehensive Income recognised directly in retained earnings	(203,322)	-
<b>Closing balance</b>	<u>(23,947,844)</u>	<u>(21,307,856)</u>
<b>NOTE - 10</b>		
<b>OTHER FINANCIAL LIABILITIES (Non Current)</b>		
Others	<u>1,561,240</u>	<u>1,460,879</u>
<b>NOTE - 11</b>		
<b>OTHER NON CURRENT LIABILITIES</b>		
Advances from Customers	<u>30,816.70</u>	<u>55,992.00</u>
<b>NOTE - 12.1</b>		
<b>BORROWINGS (Current)</b>		
Unsecured Loans		
Loans from related parties	<u>1,490,000</u>	<u>60,000</u>
* Loan from related party represents loan taken from Directors Leela Murjani and Mahesh Gupta		
<b>NOTE - 12.2</b>		
<b>TRADE PAYABLES (Current)</b>		
Dues to micro enterprises and small enterprises	228,535	216,000
Dues to creditors other than micro & small enterprises	<u>4,614,779</u>	<u>4,603,401</u>
	<u>4,843,314</u>	<u>4,819,401</u>
<b>NOTE - 13</b>		
<b>OTHER CURRENT LIABILITIES</b>		
i) Advances from customers	408,937	371,245
ii) Statutory Liabilities	1,332,043	682,333
iii) Employee benefits payable	<u>1,525,656</u>	<u>1,261,369</u>
	<u>3,266,636</u>	<u>2,314,947</u>
<b>NOTE - 13</b>		
<b>PROVISIONS (Current)</b>		
Provision for Income Tax	<u>808,171</u>	<u>539,925</u>


**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 15</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Software Services (ITES)		
- Exports	13,249,009	8,550,954
- Domestic	28,140,317	24,380,618
- Brokerage Income	55,416	68,312
- MTM Profit	-	393,957
- Commission on Mutual Fund	41,600	209,091
- Short Term Capital Gain	-	480,564
- Long term Capital Gain	96,497	232,480
- Dividend Income	1,202,218	1,132,931
	<u>42,785,056</u>	<u>35,448,907</u>
<b>NOTE - 16</b>		
<b>OTHER INCOME</b>		
i) Interest Income:		
- from others	5,687,944	3,328,206
- from Bank Deposits	152,788	149,695
ii) Other Non Operating Income:		
- Other Income (includes share of Loss of M.M. International: Rs. 83379.84)	43,877	148,510
- Incentive Received from SMC	-	489
- Provision for dimunition in value of current invetsments	602,334	
- Training Fees	-	262,500
	<u>6,486,942</u>	<u>3,889,400</u>
<b>NOTE - 17</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, wages & bonus	19,014,890	15,815,275
Contribution to Provident Fund & Other Funds	54,134	62,063
Staff welfare expenses	1,321,982	1,127,383
	<u>20,391,006</u>	<u>17,004,722</u>
<b>NOTE - 18</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of property, plant and equipment	280,648	336,276
Amortisation of intangible assets	1,832	36,572
	<u>282,480</u>	<u>372,848</u>
<b>NOTE - 19</b>		
<b>OTHER EXPENSES</b>		
Power & Fuel	870,806	903,750
Maintenance Exp.	258,519	261,405
<b>Repairs &amp; Maintenance</b>		
- Others	573,849	334,080
Rates & taxes	25,687	23,103
Franchise Exp	8,496	6,699
Business Promotion Exp.	1,241,211	1,346,346

Contd.....



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amount (₹)</b>	<b>As at 31.03.2018 Amount (₹)</b>
<b>NOTE - 19 (Contd...)</b>		
<b>OTHER EXPENSES</b>		
Legal Expenses	6,400	11,410
Consultancy Charges	1,082,187	934,515
Books & Periodical	-	27,140
Provision for diminution in value of current investments	-	527,064
Cost to Investment Exp	1,475	1,962
<b>Communication Exp</b>		
- Telephone Exp.	258,271	445,382
- Bandwidth Charges	281,107	322,538
Bank Charges & Commission	18,995	29,290
Board Meeting Exp.	320,000	320,000
Consumables	216,224	147,200
Customer Support	1,974,840	3,454,090
Software Development Exp.- Oracle	4,238,936	954,121
SEBI Reg fees	1,500	1,500
Conveyance	338,011	330,860
Travelling Exp	1,536,836	1,283,809
Paypal Charges	158,734	210,414
Penalty on Service Tax	-	1,725
Referral Fee Paid	2,531,040	2,829,570
Printing & Stationery	216,545	239,376
Demat Charges	4,265	10,684
Analysis of Market	120,000	96,000
GST Late Fee Paid	150	-
Income Tax	165,246	-
Intt on TDS	247	-
Swachh Bharat Cess Exp	-	7,903
Director Sitting Fees	14,000	18,300
MTM Loss	2,628,361	-
Short Term Capital Loss	271,284	-
Speculation Loss	1,521	4,758
Donation	20,000	20,000
Software Expenses	24,000	24,000
Faculty Fees	-	248,000
Subscription Charges	84,000	78,000
Rent	120,000	120,000
Other Expenses	1,934,853	1,272,535
Filing Fees	1,700	2,400
<b>Statutory Expenses</b>		
- Postage for AGM	258,742	254,502
- Printing & Stationery AGM	336,000	240,000
- Share Transfer Fees	50,732	39,103
- Other Statutory Expenses	477,605	440,014
<b>Payment to Auditors</b>		
To Statutory Auditor		
- Statutory Audit Fee	30,900	25,000
- Internal Audit Fee	30,000	-
To others		
- VAT Audit Fee	-	2,000
- Certification and taxation matters	8,000	26,500
	<b>22,768,693</b>	<b>17,897,574</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**20. Deferred taxes:**

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group 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 Group.

21. The Group has initiated the process of obtaining confirmation from suppliers who have registered under the Micro, Small and Medium Enterprises Development Act, 2006. The information required to be disclosed under the Micro, Small And Medium Enterprises Development Act, 2006 ("the MSMED Act") has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Group. There are no overdue to parties on account of principal amount and / or interest.

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

**23. EarningsPer Share (EPS) :**

<b>Particulars</b>	<b>Year ended 31 March 2019</b>	<b>Year ended 31 March 2018</b>
Net profit attributable to equity shareholders	(24,36,666)	17,92,823
Weighted average number of equity shares outstanding during the year (nos)	55774,000	55774,000
Face value per share	10.00	10.00
Earnings per share		
- Basic earnings per equity share	(0.04)	0.03
- Diluted earnings per equity share	(0.04)	0.03

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

The Group has got the actuarial valuation of employee benefit done at the year end.

**24.1 (a) Table Showing Changes in Present Value of Obligations:**

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	<b>1/4/2017 to 31/3/2018</b>
Present value of the obligation at the beginning of the period	11,93,883	
Interest cost	92,526	
Current service cost	4,55,316	
Past Service Cost	0	
Benefits paid (if any)	0	
Actuarial (gain)/loss	(1,54,795)	
Present value of the obligation at the end of the period	15,86,930	11,93,883

**24.1 (b) Bifurcation of total Actuarial (gain) / loss on liabilities**

<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	0
Experience Adjustment (gain)/ loss for Plan liabilities	(1,54,795)
Total amount recognized in other comprehensive Income	(1,54,795)

**24.2 Key results (The amount to be recognized in the Balance Sheet):**

<b>Period</b>	<b>As on 31/3/2019</b>	<b>As on 31/3/2018</b>
Present value of the obligation at the end of the period	15,86,930	6,47,399
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	15,86,930	6,47,399
Funded Status - Surplus/ (Deficit)	(15,86,930)	(6,47,399)



24.2 (a)	Expense recognized in the statement of Profit and Loss:		
	<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	
	Interest cost		92,526
	Current service cost		4,55,316
	Past Service Cost		0
	Expected return on plan asset		(0)
	Expenses to be recognized in P&L		5,47,842
24.2 (b)	Other comprehensive (income) / expenses (Remeasurement)		
	<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	
	Cumulative unrecognized actuarial (gain)/loss opening. B/F		0
	Actuarial (gain)/loss - obligation		(1,54,795)
	Actuarial (gain)/loss - plan assets		0
	Total Actuarial (gain)/loss		(1,54,795)
	Cumulative total actuarial (gain)/loss. C/F		(1,54,795)
24.2 (c)	Net Interest Cost		
	<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	
	Interest cost on defined benefit obligation		92,526
	Interest income on plan assets		0
	Net interest cost (Income)		92,526
24.3	Experience adjustment:		
	<b>Period</b>	<b>1/4/2018 to 31/3/2019</b>	
	Experience Adjustment (Gain ) / loss for Plan liabilities		(1,54,795)
	Experience Adjustment Gain / (loss ) for Plan assets		0
24.4	The assumptions employed for the calculations are tabulated:		
	Discount rate	7.75 % per annum	7.75 % per annum
	Salary Growth Rate	5.00 % per annum	5.00 % per annum
	Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
	Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.
24.5	Benefits valued:		
	Normal Retirement Age	60 Years	60 Years
	Salary	Last drawn qualifying salary	Last drawn qualifying salary
	Vesting Period	5 Years of service	5 Years of service
	Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)
	Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
	Limit	200000.00	200000.00
24.6	Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :		
	<b>Period</b>	<b>As on 31/3/2019</b>	<b>As on 31/3/2018</b>
	Current Liability (Short Term)*	52,804	43,187
	Non Current Liability (Long Term)	15,34,126	11,50,696
	Total Liability	15,86,930	11,93,883
24.7	Effect of plan on entity's future cash flows :		
24.7(a)	Funding arrangements and funding policy		Not Applicable
24.7(b)	Expected contribution during the next annual reporting period		
	The Company's best estimate of Contribution during the next year	6,43,558	5,35,611
24.7(c)	Estimate of expected benefit payments (In absolute terms i.e. undiscounted)		
	01 Apr 2019 to 31 Mar 2020	76,110	
	01 Apr 2020 to 31 Mar 2021	89,149	
	01 Apr 2021 to 31 Mar 2022	96,060	
	01 Apr 2022 to 31 Mar 2023	1,13,160	
	01 Apr 2023 to 31 Mar 2024	1,19,353	
	01 Apr 2024 Onwards	18,57,898	



- 24.8 Projection for next period :  
Best estimate for contribution during next Period 6,43,558
- 24.9 Sensitivity Analysis : Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on 31/3/2019
Defined Benefit Obligation (Base)	15,86,930 @ Salary Increase Rate : 5%, and discount rate :7.75%
Liability with x% increase in Discount Rate	14,25,401; x=1.00% [Change (10)% ]
Liability with x% decrease in Discount Rate	17,80,133; x=1.00% [Change 12% ]
Liability with x% increase in Salary Growth Rate	17,83,606; x=1.00% [Change 13% ]
Liability with x% decrease in Salary Growth Rate	14,20,096; x=1.00% [Change (11)% ]
Liability with x% increase in Withdrawal Rate	16,19,394; x=1.00% [Change 2% ]
Liability with x% decrease in Withdrawal Rate	15,46,229; x=1.00% [Change (2)% ]

- 24.10 Reconciliation of liability in balance sheet :

Period	1/4/2018 to 31/3/2019
Opening gross defined benefit liability/ (asset)	11,93,883
Expenses to be recognized in P&L	5,47,842
OCI- Actuarial (gain)/ loss-Total current period	(1,54,795)
Benefits paid (if any)	0
Closing gross defined benefit liability/ (asset)	15,86,930

**25. Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2019.

Name of the related parties and related party relationships

**i) Key management personnel**

Name of The Person	Designation
Ajay Kumar Agarwal	Executive Director
Sagar Mal Gupta	Non-Executive Director
Arpita Gupta	Non-Executive Director
Vikash Kamani	Independent Director
Sushil Kumar Gupta	Independent Director
Leela Murjani	Independent Director
Mahesh Gupta	Chief Executive Officer
Biswarup Maity	Chief Financial Officer
Pritika Gupta	Company Secretary (upto 26-07-2018)
Rupal Poddar	Company Secretary (w.e.f 26-07-2018)

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

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



iii) Transaction s with related parties

		Year ended 31 March 2019 (₹)	Year ended 31 March 2018 (₹)
Payment to Key Managerial Personnel			
Sushil Kumar Gupta	Director Sitting Fees	6,000/-	10,000/-
Leela Murjani	Director Sitting Fees	1,68,000/-	1,68,000/-
Company Secretary	Salary	1,45,890/-	1,86,011/-
CFO	Salary	3,16,374/-	1,96,398/-
Farzana Chowdhury	Salary	4,69,452/-	3,87,577/-
Maresh Gupta	Director Sitting Fees	1,60,000/-	1,60,000/-

iv) Year End Balances with related parties:

Particulars	As at 31 <sup>st</sup> March 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
<b>Trade Receivables :</b>		
Leena Consultancy	19,763,567/-	19,763,567/-
Rituraj Shares & Securities Ltd.	13,99,539/-	-
Rituraj Shares & Securities	98,04,730/-	98,04,730/-
<b>Trade Advances :</b>		
S M Gupta	12,88,961/-	12,88,961/-
S M Gupta (HUF)	1,00,000/-	-
<b>Trade Liability :</b>		
Rituraj Shares & Securities Ltd.	36,48,945/-	36,59,210/-
<b>Loan From Director</b>		
Maresh Gupta	6,00,000/-	40,000/-
Leela Murjani	8,90,000/-	20,000/-

26. Fair value measurement:

A. Category wise classification of financial instruments

Particulars	As at 31 <sup>st</sup> March 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
<b>a. Financial assets</b>		
<b>i. Designated at fair value through other comprehensive income (FVTOCI)</b>		
Investments in Quoted Equity Instruments (refer note (i) below)	21,30,780/-	43,35,636/-
Investment in Quoted Mutual Fund	10,966,641/-	-
<b>ii. Carried at cost</b>		
Trade Receivable	33,285,446/-	31,722,115/-
Loans	1,17,061,045/-	30,352,778/-
Others	15,39,704/-	18,34,077/-
Cash and Cash Equivalents	67,45,297/-	2,999,826/-
<b>iii. Measured at Cost</b>		
Investments in Unquoted Equity Instruments	51,71,185/-	52,71,185/-
Investment in Mutual Fund	-	11,894,995/-
Investment in Partnership Firm	33,251,819/-	26,833,969/-
<b>Total Financial Assets</b>	<b>2,10,151,917/-</b>	<b>115,244,581/-</b>

B. Financial Liabilities :

<b>Measured at Amortized Cost</b>		
Trade Payables	48,43,314/-	48,19,401/-
Borrowings	14,90,000/-	60,000/-
Other Financial Liabilities	15,61,240/-	14,60,879/-
<b>Total Financial Liabilities</b>	<b>78,94,554/-</b>	<b>63,40,280/-</b>

Notes:



- i) These investments are not held for trading. Upon application of Ind AS - 109 - Financial Instruments, the Group has chosen to measure these investments in quoted equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the Consolidated statement of profit and loss may not be indicative of the performance of the Group.
- ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, bank deposits, loans, Trade receivables, other advance, borrowings, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

**a. Fair value hierarchy**

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

The Categories used are as follows:

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

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

Particulars	Level 1	Level 2	Level 3
<u>As at 31st March, 2019</u>			
<b>Designated at fair value through other comprehensive income (FVTOCI)</b>			
Investments in Quoted Equity Instruments	21,30,780/-	-	-
Investment in Mutual Fund	10,966,641/-	-	-
<u>As at 31st March, 2018</u>			
<b>Designated at fair value through other comprehensive income (FVTOCI)</b>			
Investments in Quoted Equity Instruments	43,35,636/-	-	-

**b. Computation of Fair Values**

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

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

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

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





## 27. Financial risk management

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

### a. Credit risk:

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

#### i) Trade receivables

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

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

#### ii) Other financial instruments

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

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

### b. Market risk:

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

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

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

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

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

v) **Regulatory Risk**- Legislation in various countries in which we operate including the US , UK , Australia, Canada & Middle East may place restrictions on companies in those countries from outsourcing work to us, or may enact



stricter immigration laws or may limit our ability to send our employees to certain client sites. A team of professionals has been employed within and outside the Group. The Group has working on mitigating this on a continuous basis.

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

**c. Liquidity risk:**

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

**d. Capital Management:**

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

28. The previous year figures have been regrouped, reclassified and restated, wherever necessary, to correspond with the current year's classification.

In terms of our report attached

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

**Sonu Jain**  
Partner  
Membership No.: 060015

Place : Kolkata  
Date : 15th May, 2018

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

**Ajay Kumar Agarwal**  
Director (DIN : 01265141)

**Biswarup Maity**  
Chief Financial Officer

**Arpita Gupta**  
Director (DIN : 02839878)

**Rupal Poddar**  
Company Secretary





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

*If undelivered, please return to :*



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

Office : 14B, Camac Street  
Kolkata - 700 017