



Lee & Nee
Softwares (Exports) Ltd.



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FOR UNIVERSITY

Twenty Seventh

27th

**ANNUAL
REPORT & ACCOUNTS
2014-2015**



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

AUDITORS : JAIN SONU & ASSOCIATES
CHARTERED ACCOUNTANTS

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

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

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

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

CORPORATE IDENTITY NUMBER (CIN) : L70102WB1988PLC045587



NOTICE

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

ORDINARY BUSINESS:

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

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

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

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

Ajay Agrawal
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.

2. Brief details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on September 26, 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
3. Members/Proxies are requested to bring the Attendance Slip duly filled in and handover the same at the entrance to the venue of the meeting.
4. Members who hold shares in dematerialized form are requested to bring their Depository Account Number (Client ID and DP ID no.) for easier identification and recording of the attendance at the meeting.
5. Members are requested to bring their copies of the Report and Accounts at the Meeting.
6. Members are requested to notify any change in their address and their e-mail id immediately mentioning their name and folio no., to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata-700001.
7. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.



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

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



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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p>



- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non-Individual Shareholders and Custodians
- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodian are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- X. The Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut off date of September 19, 2015.

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

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

Ajay Agrawal
Chairman



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

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



DIRECTORS' REPORT

To,
The Shareholders

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

Financial Results

Amount in (₹)

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

Company's Performance

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

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

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

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

Dividend

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

Quality Initiatives & Achievements:

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

Reserves

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

Future Prospects

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



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

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

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

Subsidiary companies

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

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

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

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

Deposits

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

Particulars of loans, guarantees and investments.

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

Related Party Transactions

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

Corporate Social Responsibility Initiatives

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

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

No. of Meetings of the Board

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

Board Evaluation

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

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

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

Policy on Appointment of Director and Remuneration

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

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

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

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

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

Internal Financial control systems and their adequacy

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