CIN : L70102WB1988PLC045587

# Lee & Nee Softwares (Exports) Ltd.

REGD. OFFICE : 14B, CAMAC STREET
KOLKATA - 700 017, INDIA
PH. : 91-33-4069 5100 / 4065 0374
FAX : 91-33-4001 6766
Email : info@lnsel.com
Website : www.lnsel.com

September 6, 2021

| To, | To, |
|---|---|
| The Secretary<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai -400 001<br>Script code : 517415 | The Secretary<br>The Calcutta Stock Exchange Ltd.<br>7, Lyons Range<br>Kolkata-700001 |

Dear Sir /Madam,

**Sub: Submission of Annual Report for the Financial Year 2020-21 along with Notice of the 33rd Annual General Meeting (AGM)**

The 33rd Annual General Meeting of the Company is scheduled to be held on Wednesday, 29th September, 2021 through Video Conference / Other Audio Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2020-21, along with Notice of the Annual General Meeting. These documents are also being circulated through electronic mode to the eligible Members whose email ID's are registered with the Company/ Depository Participants.

The above said Annual Report is also available on the Company's website at www.lnsel.com

Kindly take the same on record.

Thanking you,

Lee & Nee Softwares (Exports) Ltd.

Yours truly,
For Lee & Nee Softwares (Exports) Ltd

Director

Arpita Gupta

(Director)

Lee & Nee
Softwares (Exports) Ltd.

# BIZ ERP - ERP for manufacturing industry

## MOBILE APPS

SAP Partner

UiPath™

Google Partner
Adwords | SMO | SEO

ORACLE
Gold Partner
E - BUSINESS SUIT

CAMPUS KONNECT
Admission to Alumni

Manufacturing Resource Planning

Human Resource Management

Customer Relationship Management

THIRTY THIRD

33RD

# ANNUAL REPORTS & ACCOUNTS 2020-21

| | | | |
|---|---|---|---|
| **BOARD OF DIRECTORS** | : | 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 |
| **KEY MANAGERIAL PERSONNEL** | : | MAHESH GUPTA | — Chief Executive Officer |
| | | VIKASH SINGH | — Chief Financial Officer |
| | | RUPAL PODDAR | — Company Secretary (up to 30.01.21) |
| | | PRITIKA GUPTA | — Company Secretary (w.e.f. 26.02.21) |
| **AUDITORS** | : | JAIN SONU & ASSOCIATES<br>CHARTERED ACCOUNTANTS | |
| **BANKERS** | : | ICICI BANK LTD.<br>INDUSIND BANK LTD<br>STATE BANK OF INDIA.<br>ORIENTAL BANK OF COMMERCE | |
| **REGISTERED OFFICE** | : | 14B, CAMAC STREET, KOLKATA - 700 017<br>TEL : 033-40650374, FAX : 033-40650378<br>EMAIL : investors@lnsel.com, WEBSITE : www.lnsel.com | |
| **SOFTWARE DEVELOPMENT CENTRE** | : | SOFTWARE TECHNOLOGY PARK<br>SALTLAKE ELECTRONICS COMPLEX<br>BLOCK 'GP', SECTOR - V<br>SDF BUILDING, 4TH FLOOR<br>BIDHANNAGAR, KOLKATA - 700 091 | |
| **REGISTRAR & SHARE TRANSFER AGENTS** | : | MAHESHWARI DATAMATICS PVT. LTD.<br>23, R. N. MUKHERJEE ROAD, 5TH FLOOR<br>KOLKATA - 700 001, TEL : (033) 22435029, FAX : (033) 22484787<br>EMAIL : mdpldc@yahoo.com | |
| **CORPORATE IDENTITY NUMBER (CIN)** | : | L70102WB1988PLC045587 | |

**LEE & NEE SOFTWARES (EXPORTS) LTD.**
14B, CAMAC STREET, KOLKATA - 700 017
TEL : 033-40650374, FAX : 033-40650377
EMAIL : investors@lnsel.com, WEBSITE : www.lnsel.com
**CIN : L70102WB1988PLC045587**

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty third Annual General Meeting of Lee & Nee Softwares (Exports) Limited (CIN: L70102WB1988PLC045587) will be held on Wednesday the 29th September, 2021 at 11 A.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following businesses:-

**ORDINARY BUSINESS:**

1. **Adoption of Financial Statements for the Financial Year ended March, 2021**

   To receive, consider, approve and adopt:

   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, and 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, 2021 and the Report of the Auditors thereon.

2. **Appointment of Mr. Ajay Kumar Agarwal as a Director liable to retire by rotation:**

   To appoint a Director in place of Mr. Ajay Kumar Agarwal (DIN 01265141), who retires by rotation and, being eligible, offers himself for re-appointment.

By order of the Board
For **LEE & NEE SOFTWARES (EXPORTS) LTD.**
**Pritika Gupta**
Company Secretary & Compliance Officer
ACS-27366

Registered Office:
14B Camac Street, Kolkata-700017
Date: The 6th August, 2021.

**NOTES:**

1. In view of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the circular no .14/2020 dated April 8,2020 Circular no.17/2020 dated April 13,2020 issued by the terms of Ministry of Corporate Affairs ("MCA") followed by Circular No. 20/2020 dated 5th May, 2020, and Circular No. 02/2021 dated 13th January, 2021 ("MCA Circulars") and all other relevant circulars issued from time to time, physical attendance of members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OVAM). Hence, Members can attend and participate in the ensuing AGM through VC/OVAM facility. Further, for the purpose of technical compliance of the provisions of Section 96(2) of the Act, we are assuming the place of meeting as the place where the company is domiciled, i.e, the Registered Office of the Company.

2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM, hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM facility and cast their votes through e-Voting.

3. The Members can join the AGM through the VC/OAVM facility 15 minutes before and after the scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice. . The facility of participation at the AGM through VC/OAVM facility will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.lnsel.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and Calcutta Stock Exchange of India Limited, at www.bseindia.com and www.cse-india.com, respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) at www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM facility in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. In line with the MCA Circular dated 13th January, 2021 and SEBI Circular dated 15th January, 2021 the Notice calling the AGM and Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2020-21 will also be made available on the Company's website at www.lnsel.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and The Calcutta Stock Exchange India Limited at www.cse-india.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection without any fee by the members during the AGM. Members seeking to inspect such documents can send an email to investors@lnsel.com.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23.09.2021 to Wednesday, 29.09.2021 (both days inclusive) for the purpose of AGM.
11. Members can avail the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed form duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., immediately mentioning their name and folio no. to their Depository Participants in case the shares are held by them in electronic form and to the Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001.in case the shares are held by them in physical form.
13. 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.
14. 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.
15. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their pan details to the Company's share transfer agent Maheshwari Datamatics Pvt Ltd., 23 R.N.Mukherjee Road, 5th Floor, Kolkata 700001.

17. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the RTA by emailing to mdpldc@yahoo.com immediately to receive copies of Annual Report in electronic mode.

18. Shareholders may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investors@lnsel.com.

19. Details of the Director seeking appointment/ re-appointment at the 33rd AGM are provided in Annexure A of this Notice. The Company has received the requisite consents/declarations for the appointment/ re-appointment under the Companies Act, 2013 and the rules made there under.

**20. Voting through Electronic Means:**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the relevant Rule 20 of the Companies (Management and Administration) Rules,2014 as amended by the companies (Management and Administration) amended Rules,2015 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and MCA Circulars the Company is pleased to provide members facility to exercise their right to vote during the AGM by electronic means on all the Resolutions Set forth in the notice through e-voting services provided by National Securities Depository Limited ("NSDL").

II. The remote e-voting period commences on Sunday, 26th September, 2021 at 9.00 AM and ends on Tuesday, 28th September, 2021 at 5.00 P.M. During this period Members of the Company holding shares, either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2021, may cast their vote electronically as per the process detailed in this Notice. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

III. 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, September 22, 2021.

IV. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

V. 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 only shall be entitled to avail the facility of remote e-voting or voting during the AGM through electronic means.

VI. Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, i.e. September 22, 2021 may obtain the login id and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl. com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 22nd September, 2021 may follow steps mentioned in the Notice of the AGM under Step 1:"Access to NSDL e-Voting system".

VII. 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.

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

IX. The results declared along with the scrutinizers report shall be placed on the website of the Company www.lnsel.com and on the website of NSDL www.evoting.NSDLindia.com. The results shall simultaneously be communicated to BSE Limited and CSE India Ltd., where the shares of the Company are listed.

**ANNEXURE I TO THE NOTICE**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on Sunday, 26th September, 2021 at 9.00 AM and ends on Tuesday, 28th September, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against the Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/ Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note**: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login Type | Helpdesk details |
|---|---|
| IIndividual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| IIndividual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia. com or contact at 022- 23058738 and 022-23058542-43 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

5. Password details for shareholders other than Individual shareholders 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 mail box. 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, please follow instructions mentioned below in **process for those shareholders whose emails ids are not registered.**
6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
   a) Click on “**Forgot User Details/Password**?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) “**Physical User Reset Password**?” (If you are holding shares in physical mode) option available onwww.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 mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   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 and join general meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of the Company, for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OVAM" link placed under"Join General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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 csrasnagoyal@gmail.comwith a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in a request at evoting@nsdl.co.in

**Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to mdpldc@yahoo.com;
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@lnsel.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR JOINING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investors@lnsel.com latest by 5 p.m. (IST) on Sunday, 26th day of September 2021.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@lnsel.com latest by 5 p.m. (IST) on Sunday, 26th day of September 2021.The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

## ANNEXURE - A

**Information required under Regulation 36(3) of the SEBI (LODR) Regulation, 2015 with respect to the Director retiring by rotation and being eligible seeking re-appointment is as under:**

| | |
|---|---|
| **Name of the Director** | Mr. Ajay Kumar Agarwal |
| **DIN** | 012651418 |
| **Designation** | Executive Director |
| **Date Of Birth** | 14-12-1966 |
| **Appointed on** | 29-04-2004 |
| **Qualification** | B.COM |
| **Expertise in specific functional areas** | He is an honours graduate from Calcutta University, has vast experience in business since his adulthood, and he is actively engaged in the business management. |
| **Directorship held in other public listed Companies (Excluding Foreign Companies and Sec 8 Companies)** | Nil |
| **Committee Memberships, if any, with position** | Nil |
| **Number of Shares** | Nil |
| **Relationship with other Directors Inter-se and** | None of the Directors or Key Managerial Personnel or their relatives are concerned or interested). |
| **Number of Meeting of the Board attended during the year** | Five meetings attended during the F.Y. 20-21 |

**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.

By order of the Board of Directors
For **LEE & NEE SOFTWARES (EXPORTS) LTD.**
**Pritika Gupta**
Company Secretary & Compliance Officer
ACS-27366

Registered Office:
14B Camac Street, Kolkata-700017
Date: The 6th August, 2021

## DIRECTORS' REPORT

To,

The Members

Your Directors presenting the 33rd Annual Report together with the audited accounts of your company for the financial year ended 31st March, 2021.

**Financial Results**

Your Company's performance for the financial year ended 31st March, 2021 is summarized below:

*(Rupees in Lakhs)*

| Particulars | For the financial year ended (Standalone) | | For the financial year ended (Consolidated) | |
|---|---|---|---|---|
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| **Income:** | | | | |
| Revenue from operations | **481.66** | 416.51 | **534.79** | 474.91 |
| Other Income | **51.02** | 59.80 | **113.44** | 122.78 |
| **Total Income** | **532.68** | 476.31 | **648.23** | 597.69 |
| **Expenses:** | | | | |
| Operating Expenditure | **513.03** | 459.16 | **603.53** | 583.29 |
| Depreciation & Amortization Expense | **1.78** | 2.97 | **2.10** | 3.38 |
| **Total Expenses** | **514.81** | 462.13 | **605.63** | 586.67 |
| Profit Before Tax (PBT) | **17.87** | 14.18 | **42.60** | 11.02 |
| Tax Expense | **1.68** | 3.86 | **1.37** | 3.86 |
| **Profit for the year** | **16.19** | 10.32 | **41.07** | 7.16 |
| Other Comprehensive Income (Net of tax) | **2.88** | -1.96 | **33.14** | -48.02 |
| **Total Comprehensive Income for the period** | **19.07** | 8.36 | **74.21** | -40.86 |

**Company's Performance:**

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. As we entered 2021, the outlook was uncertain & no specific expectations for growth were set, however as the year progressed, Lee & Nee Softwares was able to scale up and surpassed the 2020 base year revenue. During the period under review, at consolidated level, the company achieved revenue of Rs.64,823,878 EBITDA Rs. 4,470,612 PBT of Rs. 4,260,699 and PAT of Rs. 4,106,944 as compared to the revenue of Rs.5,976,9406, EBITDA Rs. 14,40,222, PBT of Rs. 11,019,77and PAT of Rs. 7,164,55 respectively in the previous year.

On an unconsolidated basis (at standalone level), the company achieved revenue of Rs. 53,268,192 EBITDA Rs. 19,64,731 PBT of Rs. 17,869,94 and PAT of Rs. 1,618,798 as compared to the revenue of Rs. 47,631,231 EBITDA Rs. 17,15,962, PBT of Rs. 14,184,22 and PAT of Rs. 10,32,902respectively in the previous year.

At the Standalone level the sales of the Company have increased by 11.83% as compared to previous year and at the Consolidated level also the sales of the Company has increased by 8.46% as compared to last year.

**Share Capital**

As on 31st March, 2021, paid up share capital of the Company was Rs. 55,77,40,000 divided into 55,774,000 equity shares of Rs.10/- each. There was no change in share capital of the Company during the Financial Year 2020-21.

**Dividend and Transfer to Reserves**

In terms of the Dividend Distribution Policy, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, equity shareholders of the Company may expect dividend if the Company is having surplus funds and after taking into

consideration the relevant internal and external factors as mentioned in the said Policy. Accordingly, considering the cash position, fund requirements for growth of business of your Company and the brought forward losses, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2021. Accordingly, no amount is also proposed to be transferred to the reserves of your Company.

**Listing with Stock Exchanges**

Your Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to Bombay Stock Exchange and Calcutta Stock Exchange where your Company's Shares are listed.

No shares of your Company were delisted during the financial year 2020-21.

**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 2020-21.

**Deposits from Public**

Your Company has not accepted any kind of deposit from the public under Chapter V of the Companies Act, 2013 during the year under review and as such no amount on account of principal or interest on deposits from public was outstanding as on the date of the 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.

**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 to which the financial statement relates and the date of this Report.

**Management Discussion and Analysis Report**

A detailed Management Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") forms part of this Annual Report and is annexed as '**Annexure-1'.**

**Human Resource Management**

Attracting, enabling and retaining talent has been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

Your Company's focus lies in creating a performance based culture, driven by focused growth and clear career development plan for each employee. A robust Talent Acquisition system enables the Company to balance unpredictable business demands.

**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 and Digital Marketing.

**Consolidated Financial Statements**

In accordance with the Companies Act, 2013 ("the Act"), SEBI LODR and Ind-AS-110 on Consolidated Financial Statements, the Audited Consolidated Financial Statements for the financial year ended 31st March, 2021 are provided in the Annual Report.

**Subsidiary companies**

The Company has two subsidiaries namely Lensel Web Services Private Ltd and Rituraj Shares Broking Pvt. Ltd. as on March 31, 2021. There has been no material change in the nature of business of the subsidiaries.

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 Form No. AOC-1 annexed as '**Annexure 2**', which forms a part of this Annual Report.

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, 2021.

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 financial statements in respect of Subsidiaries, are available on the website of the Company https://lnsel.com/investor/

The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the Head Office of the Company and the respective offices of its subsidiary companies.

The Company has adopted a policy for determining the criteria of 'Material subsidiaries' which can be viewed at the Company's website at the link: **https://lnsel.com/wp-content/uploads/2020/09/policy-on-material-subsidiaries.pdf**

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

During the financial year 2020-21, there was no significant and material orders passed by any Regulators / Courts /Tribunals, which impacts the going concern status and the Company's Operations in future.

**Directors' Responsibility Statement**

Pursuant to Section 134 (3)(C) and 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 had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors had 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 Directors had prepared the annual accounts 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; and

(f) the Directors had 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**

Mr. Vikash Kamani, Mr. Sushil Kumar Gupta & Miss Leela Murjani were reappointed as Independent Directors with effect from 27th September, 2019 for a second term of five years, expiring on 26th September, 2024.

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 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.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board /Committee of the Company.

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.

All the declarations were placed before the Board. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other statutory authority.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the company as on March 31, 2021 are; Mahesh Gupta, Chief Executive Officer, Vikash Singh, Chief Financial Officer and Pritika Gupta, Company Secretary.

**Independent Directors**

Your Company has laid down procedures to be followed for familiarizing the Independent Directors with your Company, their roles, rights, responsibilities in your Company and to impart the required information and training to enable them contribute significantly to your Company.

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down in section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

The details of the familiarisation programme imparted to the Independent Directors of the Company are uploaded on the website of the Company at **https://lnsel.com/wp-content/uploads/2021/08/familiarization-programme-for-independent-director.pdf**

**Board and Committee Meetings**

Five 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 a part of this report.

**Separate Meeting of Independent Directors**

During the year under review, the Independent Directors met on February 24, 2021 without the presence of Non-Independent Directors and members of the Management and, inter alia:

(i) reviewed the performance of Non-Independent Directors and the Board as a whole;

(ii) reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

(iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively & reasonably perform their duties.

**Board Evaluation**

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation on the basis of which the Board has carried out evaluation of its own performance, the performance of Board Committees and of the Independent Directors individually.

The Independent Directors of the Company, without the participation of Non-Independent Directors and members of management, in their separate meeting held on February 24, 2021, have reviewed the performance of Non-Independent Directors and the Board as a whole. The review of performance of Non-Independent Directors was done, on various parameters, such as, skill, competence, experience, governance, degree of engagement, ideas & planning, attendance, leadership, etc. The Board performance was reviewed on various parameters, such as, adequacy of the composition of the Board, Board culture, appropriateness of qualification & expertise of Board members, process of identification and appointment of Independent Directors, inter-personal skills, ability to act proactively, managing conflicts, managing crisis situations, diversity in the knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board members, etc.

The Nomination and Remuneration Committee of the Board, based on the report of the Independent Directors, evaluated the performance of the Non-Independent Directors. The said Committee members also evaluated the performance of the Independent Directors of the Company, based on the reports of the Executive Directors, considering their requisite skills, competence, experience and knowledge of the regulatory requirements relating to governance, such as, roles and responsibilities under the Code for Independent Directors, the Act, the SEBI Listing Regulations, etc.

The Board of Directors of the Company, based on the report of the Independent Directors and the Nomination and Remuneration Committee, evaluated the performance of Board and of individual Directors. The Board also carried out the evaluation of performance of its Committees on various parameters, such as, adequacy of meetings in enhancing the effectiveness of the Committee, existence of a defined set of objectives/ terms of reference, etc.

The result of review and evaluation of performance of Board, it's Committees and of individual Directors was found to be satisfactory.

**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 forms part of this report and is annexed as '**Annexure-3'** to this report. The same is also available on **https://lnsel.com/wp-content/uploads/2020/09/remuneration-policy.pdf**

**Internal Financial Control System and their adequacy**

The Company has in place adequate internal financial controls with reference to the Financial Statements. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

**Cost Records and Cost Audit**

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

**Audit Committee**

The details with respect to the composition of the Audit Committee, the number of meetings held during the Financial Year under review and attendance therein, and the terms of reference has been detailed out in the Corporate Governance Report, which forms part of this Annual Report.

Further, there were no instances wherein the Board had not accepted any recommendation of the Audit Committee.

**Nomination and Remuneration Committee**

Details pertaining to constitution of the Nomination and Remuneration Committee of the Board of Directors of the Company, number of meetings held during the period under review, attendance therein and its terms of reference have been stated in the Corporate Governance Report, which forms part of this Annual Report.

**Auditors**

***Statutory Auditors***

M/s Jain Sonu & Associates, Chartered Accountants, Kolkata (Firm Registration No. 324386E), had been appointed as the Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of the 29th AGM of the Company (for the Financial Year 2016-17), held on September 23, 2017, until the conclusion of the 34th AGM of the Company for the Financial Year 2021-22.

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

Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting and a note in respect of same has been included in the Notice for this Annual General Meeting.

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 Auditor***

Pursuant to the provisions of Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors of, the Company has appointed Mrs. Rasna Goyal, a Practicing Company Secretary in Practice (CP No.-9209) to conduct the Secretarial Audit Report of the Company for the financial year 2020-21. The Secretarial Audit Report in Form MR-3, for the financial year ended March 31, 2021 is annexed as '**Annexure-4-(a)'** to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Lensel Web Services Pvt Ltd., material subsidiary of your Company, has undertaken its secretarial audit for the financial year ended 31st March, 2021 by Mrs. Rasna Goyal, a Practicing Company Secretary in Practice (CP No.-9209) as **'Annexure-4-(b)'** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

In line with the Circular dated February 08, 2019 issued by the Securities and Exchange Board of India, Annual Secretarial Compliance Report for the year ended 31st March, 2021 confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by Rasna Goyal, Practicing Company Secretaries and filed with the Stock Exchanges. The same is available on the website of the Company at www.lnsel.com.

**Qualifications in Audit Reports**

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report.

**Risk Management Policy**

The Company has systems for Internal Audit and Enterprise Risk assessment and mitigation. As part of the Annual Internal Audit Plan, the audit plan is approved by the audit committee. Further, on a quarterly basis summary of key findings is presented to the Audit committee. With increasing globalization and unprecedented changes in business environment, the Company on a periodic basis identifies these uncertainties and after assessing them, formulates short-term and long-term action plans to mitigate any risk which could materially impact the Company's long-term goals and Vision.

In the opinion of the Board there is no such risk which may threaten the present existence of the Company.

**Secretarial Standards**

The Directors state that the applicable Secretarial Standards, i.e. SS-1 and SS -2, relating to 'Meetings of the Board of Directors' and 'General Meeting' respectively, have been duly followed by 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 in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations 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 **https://lnsel.com/wp-content/uploads/2020/09/vigil-mechanismwhistle-blower-policy.pdf**

**Related Party Transactions**

All contracts / arrangements / transactions entered by the Company during the financial year 2020-21 with related parties were in the ordinary course of business and on an arm's length basis .During the financial year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the company's policy of Materility of Related Part Transactions except those, provided in Form AOC-2 are not applicable for the year under review.

The Policy 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/uploads/2020/09/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.

**Annual Return**

A copy of the Extracts of the Annual Return of the Company as required under section 134(3)(a) of the Companies Act, 2013, in Form MGT-9, as they stood on the close of the financial year i.e. 31st March, 2021 is furnished in ANNEXURE –5 and forms part of this Report.

Further, a copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, in Form MGT-7, as they stood on the close of the financial year i .e. 31st March, 2020 is uploaded on the website of the Company which is accessed at the link **https://lnsel.com/wp-content/uploads/2020/09/extract-of-annual-return-mgt-7.pdf**

**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.

**FUTURE PROSPECTS**

Your company has had steady growth in both domestic as well as international markets this year. Your company has special focus on further expanding its ERP & Mobile Application within India in coming years. It has also expanded its digital transformation business in the overseas market by adding more business partners from various countries.

**Cloud Solutions** continues to show an increasing demand as most organizations are working remotely and hence moving to cloud to run their operations. Cloud is increasingly becoming an integral part of the business across all sectors.

**E-commerce** has come a long way since last year. The way the world consumes has now shifted in favor of the minimum-risk and minimum-exposure advantage of online shopping. In spite of a pandemic year, e-commerce added 20 million new

shoppers in 2020. However, this is expected to double in 2021, as 40 million new customers actively come to shop on e-commerce platforms. Your company is actively helping companies to increase their sales by building their own ecommerce platforms

The global **mobile application** market size was valued at $106.27 billion in 2018, and projected to reach $407.31 billion by 2026, growing at a CAGR of 18.4% from 2019 to 2026. Your company has expanded its capabilities in the mobile apps market and has successfully delivered various projects. We look forward to continuing to enhance our expertise in this area to adhere to the continued demands of the market.

**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, E-Commerce, and Mobile Application 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 is focussing on getting more Government projects in the areas of ERP and Mobile Applications.

Your Company is constantly striving to keep pace with changing demands of corporations 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 with the help of business automation tools.

**Employee Stock Option Scheme**

Presently, the Company does not have any Employee Stock Option/Purchase Scheme.

**Policy on Prevention of Sexual Harassment**

Your Company has in place a policy on prevention of sexual harassment at work place in accordance with the provisions of Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013. The policy aims at prevention of harassment of women employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo Pursuant To Provisions Of Section 134 Of The Companies Act, 2013 Read With The Companies (Accounts) Rules, 2014.**

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'** forming part of this report.

**Corporate Governance**

The Corporate Governance Report, in terms of Regulation 34(3), read with Schedule V, of the SEBI Listing Regulations, forms part of this Annual Report. The company has obtained a certificate from the Statutory Auditors' of the company regarding compliance of conditions and the same forms part of this annual report and annexed as '**Annexure-7'**.

**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 and thank the Company's customers, vendors, investors and academic partners for their continuous support. Our consistent growth is possible because of their hard work, solidarity, co-operation and support.

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

Place : Kolkata
Dated : 6th August, 2021

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

**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 marketplace for ERP tools and software is consistently growing. 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.

The outbreak of COVID-19 is anticipated to provide remunerative opportunities for the market expansion during the forecast period. This is attributable to rise in digital transformation trend in the enterprises, upsurge in demand for ERP solutions that are hosted or managed in the cloud, and rapid increase in problems due to disruption of the supply chain in the manufacturing sector. Moreover, during the post pandemic, companies will focus more on solutions, which will support advanced planning and mitigate the impact of similar events in the future.

**SAP:**

Your company is a Partner of SAP, the market share leader in ERP. 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 is 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 corporates and educational institutes.

**Employees Cooperative Management:**

The Employees Cooperative Management System is a web-based application which manages its Members, their different types of Funds and Loans, Interest thereon, Dividend, Financial Accounts etc.

**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 Android 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, Canada, UK, Australia & 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 Company. The Company has working on mitigating this on a continuous basis.

**Growth:**

The year has been marred by pandemic-related sharp declines in growth across industries. One major exception is India's IT-ITeS sector. It was expected to grow by 2.3% to $194 billion in the 2020-21 financial year. Indian IT sector continues to be a net hirer. A lot of these hires were in jobs that were being created due to the adoption of newer technologies and not in the traditional jobs.

**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:**

Lee & Nee has taken adequate steps to achieve a faster pace in growth.

As per Nasscom, the industry is on track to meet its vision of USD 300-350 billion revenues by 2025.

Global impact of the COVID-19 pandemic has led to major resets or shift that is acceleration in the pace of digital transformation. Hence, a significantly higher growth is expected in the post-covid era.

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 11.83% as compared to previous year. The Company has identified new avenues of software business like Data Security and Cloud offerings. Your company has partnered with Microsoft for offering Cloud based software solutions. It is looking forward to work in the areas of ERP Solutions, Cloud solutions, and Data Security as there is huge potential in these areas and is now focused on further expanding Enterprise Applications business both in domestic as well as in overseas market. The Company has further developed niche products for specific industry verticals and plans to offer them on SaaS model in coming years. Your Company has made strategic alliances to offer Cloud based solutions and licensed software solutions. The Company anticipates getting good volume of business in the coming year.

**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, 2021 was 66.

Attracting, enabling and retaining talent has been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth. The Company's focus lies in creating a performance based culture, driven by focused growth and clear career development plan for each employee. A robust Talent Acquisition system enables the Company to balance unpredictable business demands.

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 evolvement 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' 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 is on the promotion of talent internally through job rotation and job enlargement. Our hiring requirements have increased by6.45% this year. This will be due to anticipated growth and the backfill due to attrition. We expect to improve our people intake during 2021 and are exploring new avenues to decrease hiring turnaround times but due to the COVID 19 pandemic, the regular addition to our human resources seems little uncertain.

**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 31.03.2021 | As on 31.03.2021 |
| The date since when subsidiary acquired | 01/04/2013 | 01/04/2013 |
| Reporting period of the subsidiary concerned | 01/04/2020 - 31/03/2021 | 01/04/2020 - 31/03/2021 |
| Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A | N.A |
| Share Capital | | |
| Authorised Capital | 10.00 | 50.00 |
| Issued, Subscribed and fully paid up Capital | 10.00 | 36.20 |
| Reserves & Surplus | 70.46 | 338.12 |
| Total Assets | 798.13 | 688.42 |
| Total Liabilities (Excluding Share Holders Fund) | 717.66 | 314.10 |
| Investments | 44.45 | 115.26 |
| Turnover (Revenue from operation) | 76.86 | 38.69 |
| Profit/(Loss) Before Taxation | 1.57 | 23.17 |
| Provision for Taxation | -0.14 | NIL |
| Profit/(Loss) after Taxation | 1.72 | 23.17 |
| Proposed Dividend (%) | NIL | NIL |
| % of Shareholding | 100% | 100% |

**Notes:**

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

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. 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 2020-21

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 : 6th August, 2021

**Mahesh Gupta**
Chief Executive Officer

**Vikash Singh**
Chief Financial Officer

**Pritika Gupta**
Company Secretary

**Annexure-3**

**Remuneration Policy for Board Members, Key Managerial Personnel and Other Employees**

The Nomination and Remuneration Committee of the Board of Directors of LEE &NEE SOFTWARE EXPORTS LTD herein below recommends to the Boards of Directors for its adoption the Nomination and Remuneration and Policy for the directors, Key Managerial Personnel and other employees of the company as set out below.

The objective of the Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its level and composition of remuneration, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a composition 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.

**1) Remuneration to Executive Directors:**

a) The Remuneration to be paid to Executive Directors shall be governed as per the provisions of the Companies Act, 2013 and Rules made thereunder. The same shall be determined by the Committee and recommended to Board for approval.

b) Remuneration structure of the Executive Directors shall include fixed pay & allowances, if any.

c) The Committee may recommend an increase in existing remuneration structure to the Board, within the limits as approved by the Shareholders.

d) The Executives will be entitled to customary non-monetary benefits such as company cars, phone and such other fixed entitled benefits;

e) A Director may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, as permissible under Applicable law;

f) Minimum remuneration: If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**2) Remuneration to Non- Executive / Independent Directors:**

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration for attending the Board as well as the Committee meetings, as permissible under the provisions of Companies Act, 2013 and Rules made thereunder as amended from time to time.

b) 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.

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

d) An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the Applicable law.

**3) Remuneration to Key Managerial Personnel (KMP) and Senior Management Personnel:**

a) **"Key Managerial Personnel**" means key managerial personnel as defined under Section 2(55) of the Companies Act, 2013 and amendments made from time to time. It includes the following personnel in the Company;

i) The Chief Executive Officer or the Managing Director or the Manager;

ii) The Company Secretary

iii) The Chief Financial Officer and

iv) The Whole-time Director

**"Senior Management**" means personnel of the Company who are members of its management team excluding the Board of Directors.

b) The remuneration to Key Managerial Personnel and Senior Management Personnel shall consist of fixed pay, incentive pay and reimbursement of expenses that are incurred by them in the performance of duties.The same shall be reviewed/decided on an annual basis or earlier if deemed necessary, by the Nomination and Remuneration Committee as per provisions of the Companies Act, 2013 in conjunction with the Company's rules and policies.

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

**POLICY REVIEW**

This policy is purely at the discretion of the Nomination and Remuneration Committee and it reserves its right to recommend modifications in this Policy to the Board as per applicable laws and regulations, at any time without assigning any reason whatsoever.

Place: Kolkata

Date: 6th August, 2021

**For and on behalf of the Board of Directors**

**Sd/-**

**Vikash Kamani**

**Chairman**

**Annexure-4-(a)**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**
**For The Financial Year Ended 31st March, 2021**
[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, 2021 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 31st March, 2021 according to the provisions of:

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

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

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

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 (SS-1 & SS-2) 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,Woman Director 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: 25th August, 2021

Practising Company Secretary

UDIN: F009096C000826693

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 partof this report.

***NB: Due to COVID-19 travel restrictions, we are not able to physically verify the records, therefore we relied on the information as provided by the Company in electronic mode.***

**'Annexure A'**

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

My 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 responsibilityis 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 aboutthe correctness of the contents of the Secretarial records. The verification was done on test basis to ensure thatcorrect facts are reflected in Secretarial records. I believe that the process and practice, I followed providea reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of theCompany.
4. Where ever required, I have obtained the Management representation about the Compliance oflaws, rulesand regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is theresponsibility 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 efficacyor effectiveness with which the management has conducted the affairs of the Company.

For **Rasna Goyal**

Place: Kolkata
Date: 25th August, 2021

Practising Company Secretary
UDIN: F009096C000826693
C.P No. 9209, FCS No. 9096

***NB: Due to COVID-19 travel restrictions, we are not able to physically verify the records, therefore we relied on the information as provided by the Company in electronic mode.***

**Annexure-4-(b)**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**
**For The Financial Year Ended 31st March, 2021**
[Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015]

To,

The Members,
Lensel Web Services Private 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. Lensel Web Services Private Limited**

(hereinafter called the "Company" being the wholly owned subsidiary of M/s. Lee & Nee Software(Exports) Limited). 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s.Lensel Web Services Private Limitedwholly owned subsidiary of M/s. Lee & Nee Software (Exports) Limitedfor the financial year ended on 31st March, 2021 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable to the Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(NOT APPLICABLE)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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);**

(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**(NOT APPLICABLE);**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016**(NOT APPLICABLE);**

(f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014.**(NOT APPLICABLE);**

(g) The Securities and Exchange Board of India **(Issue and Listing of Debt Securities)** Regulations, 2008 **(NOT APPLICABLE);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.**(NOT APPLICABLE);**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**(NOT APPLICABLE);**

(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 (SS-1 & SS-2) issued by The Institute of Company Secretaries of India complied generally.

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, 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 carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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 the Statutory Auditors of the Company has been appointed for a period of one year for the Financial Year 2020-21.*

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: 25th August, 2021

Practising Company Secretary

UDIN: F009096C000826651

C.P No. 9209, FCS No. 9096

***NB: Due to COVID-19 travel restrictions, we are not able to physically verify the records, therefore we relied on the information as provided by the Company in electronic mode.***

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

**'Annexure A'**

To,
The Members,
Lensel Web Services Private Limited

My 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 responsibilityis 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 aboutthe correctness of the contents of the Secretarial records. The verification was done on test basis to ensure thatcorrect facts are reflected in Secretarial records. I believe that the process and practice, I followed providea reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of theCompany.
4. Where ever required, I have obtained the Management representation about the Compliance oflaws, rulesand regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is theresponsibility 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 efficacyor effectiveness with which the management has conducted the affairs of the Company.

For **Rasna Goyal**

Place: Kolkata
Date: 25th August, 2021

Practising Company Secretary
UDIN: F009096C000826651
C.P No. 9209, FCS No. 9096

***NB: Due to COVID-19 travel restrictions, we are not able to physically verify the records, therefore we relied on the information as provided by the Company in electronic mode.***

**Annexure - 5**

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
As on the financial year ended on 31st March, 2021
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<br>Tel: 033 40650374, Fax No.: 033-40650378<br>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,<br>23 R N Mukherjee Road, 5th Floor, Kolkata – 700 001<br>Telephone : No: 22435029 / 22482248 / 22316839<br>Fax no. 033 22484787,<br>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.<br>14B Camac Street, Kolkata 700017 | U72900WB2001PTC093088 | Subsidiary | 100% | Section 2 (87)(ii) |
| 2 | Rituraj Shares Broking Pvt. Ltd.<br>14B Camac Street, Kolkata 700017 | U51109WB2000PTC092403 | Subsidiary | 100% | Section 2 (87)(ii) |

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

### i) Category-wise Share Holding

| Category of Shareholders | No of Shares held at the beginning of the year [As on 01-Apr-2020] | | | | No of Shares held at the end of the year [As on 31-Mar-2021] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| 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 | 17622995 | 0 | 17622995 | 31.5972 | 0.0001 |
| e) Banks/Fi | | | | | | | | | |
| f) Any other | | | | | | | | | |
| **Sub-total (A)(1)** | 39251230 | 0 | 39251230 | 70.3755 | 39251234 | 0 | 39251234 | 70.3756 | 0.0001 |
| **(2) Foreign** | | | | | | | | | |
| a) NRIs - Individuals | | | | | | | | | |
| b) Other - Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/FI | | | | | | | | | |
| e) Any other | | | | | | | | | |
| **Sub-total (A)(2)** | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| **Total shareholding of Promoter (A)=(A)(1)+(A)(2)** | 39251230 | 0 | 39251230 | 70.3755 | 39251234 | 0 | 39251234 | 70.3756 | 0.0001 |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks/FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Alternate Investment Funds | | | | | | | | | |
| Foreign Portfolio Investor | | | | | | | | | |
| Provident Funds / Pension Funds | | | | | | | | | |
| Qualified Foreign Investor | | | | | | | | | |
| **Sub-total(B)(1):-** | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **2.** | **Non-Institutions** | | | | | | | | | |
| a) | Bodies Corp. | | | | | | | | | |
| i) | Indian | 303611 | 3400 | 307011 | 0.5505 | 254735 | 3400 | 258135 | 0.4628 | -0.0877 |
| ii) | Overseas | | | | | | | | | |
| b) | Individuals | | | | | | | | | |
| i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh | 6216227 | 1615879 | 7832106 | 14.0426 | 6222195 | 1615279 | 7837474 | 14.0522 | 0.0096 |
| ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 8268534 | 42999 | 8311533 | 14.9022 | 8267636 | 42999 | 8310635 | 14.9006 | -0.0016 |
| c) | Others (Specify) | | | | | | | | | |
| | Non Resident Indians | 71220 | 0 | 71220 | 0.1277 | 72535 | 0 | 72535 | 0.1301 | 0.0024 |
| | Qualified Foreign Investor | | | | | | | | | |
| | Custodian of Enemy Property | | | | | | | | | |
| | Foreign Nationals | | | | | | | | | |
| | Clearing Members | 900 | 0 | 900 | 0.0016 | 43987 | 0 | 43987 | 0.0789 | 0.0773 |
| | Trusts | | | | | | | | | |
| | NBFCs registered with RBI | | | | | | | | | |
| | **Sub-total(B)(2):-** | 14860492 | 1662278 | 16522770 | 29.6246 | 14861088 | 1661678 | 16522766 | 29.6246 | 0.0000 |
| | **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | 14860492 | 1662278 | 16522770 | 29.6246 | 14861088 | 1661678 | 16522766 | 29.6246 | 0.0000 |
| **C.** | **Shares held by Custodian for GDRs & ADRs** | | | | | | | | | |
| | **Grand Total (A+B+C)** | 54111722 | 1662278 | 55774000 | 100.0000 | 54112322 | 1661678 | 55774000 | 100.0000 | 0.0001 |

**ii) Shareholding of Promoters :-**

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01-Apr-2020) | | | Shareholding at the end of the year (As on 31-Mar-2021) | | | % 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 | 7353585 | 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 | MAHESH GUPTA / ADGPG0686B | 1399973 | 2.5101 | 0.0000 | 1399973 | 2.5101 | 0.0000 | 0.0000 |
| 7 | S.M.GUPTA / ACVPG5705B | 1193817 | 2.1405 | 0.0000 | 1193817 | 2.1405 | 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 |
| | TOTAL | 39251230 | 70.3755 | 0.0000 | 39251234 | 70.3755 | 0.0000 | 0.0000 |

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

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (01-Apr-2020) / end of the year (31-Mar-2021) | | Cumulative Shareholding during the year (01-Apr-2020 to 31-Mar-2021) | |
|---|---|---|---|---|---|
| | | 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-2020) | 10269410 | 18.4125 | | |
| | At the end of the year (31-Mar-2021) | 10269410 | 18.4125 | 10269410 | 18.4125 |
| 2 | RITURAJ SHARES & SECURITIES LIMITED/ AACCR1449P | | | | |
| | At the beginning of the year (01-Apr-2020) | 7353581 | 13.1846 | | |
| | Transfer (30-Sep-2020) | 1 | 0.0000 | 7353582 | 13.1846 |
| | Transfer (31-Mar-2021) | 3 | 0.0000 | 7353585 | 13.1846 |
| 3 | SAGAR MAL GUPTA / AAPHS0927R | | | | |
| | At the beginning of the year (01-Apr-2020) | 6200 | 0.0111 | | |
| | At the end of the year (31-Mar-2021) | 6200 | 0.0111 | 6200 | 0.0111 |
| 4 | S.M.GUPTA / ACVPG5705B | | | | |
| | At the beginning of the year (01-Apr-2020) | 1193817 | 2.1405 | | |
| | At the end of the year (31-Mar-2021) | 1193817 | 2.1405 | 1193817 | 2.1405 |
| 5 | RAJ KUMARI AGARWAL / ADCPA3440M | | | | |
| | At the beginning of the year (01-Apr-2020) | 5229418 | 9.3761 | | |
| | At the end of the year (31-Mar-2021) | 5229418 | 9.3761 | 5229418 | 9.3761 |
| 6 | LEENA GUPTA / ADDPG2831P | | | | |
| | At the beginning of the year (01-Apr-2020) | 368326 | 0.6604 | | |
| | At the end of the year (31-Mar-2021) | 368326 | 0.6604 | 368326 | 0.6604 |
| 7 | MAHESH GUPTA / ADGPG0686B | | | | |
| | At the beginning of the year (01-Apr-2020) | 1399973 | 2.5101 | | |
| | At the end of the year (31-Mar-2021) | 1399973 | 2.5101 | 1399973 | 2.5101 |
| 8 | NEENA GUPTA / ADNPG2279F | | | | |
| | At the beginning of the year (01-Apr-2020) | 4801772 | 8.6093 | | |
| | At the end of the year (31-Mar-2021) | 4801772 | 8.6093 | 4801772 | 8.6093 |
| 9 | ARPITA GUPTA / ADOPA5454H | | | | |
| | At the beginning of the year (01-Apr-2020) | 55200 | 0.0990 | | |
| | At the end of the year (31-Mar-2021) | 55200 | 0.0990 | 55200 | 0.0990 |
| 10 | SUNITA GUPTA / ADYPG0114E | | | | |
| | At the beginning of the year (01-Apr-2020) | 8573533 | 15.3719 | | |
| | At the end of the year (31-Mar-2021) | 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-2020) / end of the year (31-Mar-2021) | | Cumulative Shareholding during the year (01-Apr-2020 to 31-Mar-2021) | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | SHEELA DOSHI / AABPD3517G | | | | |
| | At the beginning of the year (01-Apr-2020) | 300000 | 0.5379 | | |
| | At the end of the year (31-Mar-2021) | 300000 | 0.5379 | 300000 | 0.5379 |
| 2 | TEJRAJ DOSHI / AABPD3518K | | | | |
| | At the beginning of the year (01-Apr-2020) | 300000 | 0.5379 | | |
| | At the end of the year (31-Mar-2021) | 300000 | 0.5379 | 300000 | 0.5379 |
| 3 | JAYESH TARACHAND KOTHARI / AACPK1361Q | | | | |
| | At the beginning of the year (01-Apr-2020) | 625000 | 1.1206 | | |
| | At the end of the year (31-Mar-2021) | 625000 | 1.1206 | 625000 | 1.1206 |
| 4 | RAM GOPAL RAMGARHIA HUF / AAFHR8082N * | | | | |
| | At the beginning of the year (01-Apr-2020) | 52894 | 0.0948 | | |
| | Transfer (30-Sep-2020) | -52894 | 0.0948 | 0 | 0.0000 |
| | Transfer (31-Dec-2020) | 256041 | 0.4591 | 256041 | 0.4591 |
| | At the end of the year (31-Mar-2021) | 256041 | 0.4591 | 256041 | 0.4591 |
| 5 | SATHYANARAYANA UPPALANCHA / AAWPU6373L # | | | | |
| | At the beginning of the year (01-Apr-2020) | 138901 | 0.2490 | | |
| | Transfer (30-Sep-2020) | -18679 | 0.0335 | 120222 | 0.2156 |
| | At the end of the year (31-Mar-2021) | 120222 | 0.2156 | 120222 | 0.2156 |
| 6 | JAGADISH PRASAD TOSAWAR / ABSPT4421F | | | | |
| | At the beginning of the year (01-Apr-2020) | 524316 | 0.9401 | | |
| | Transfer (30-Sep-2020) | 11825 | 0.0212 | 536141 | 0.9613 |
| | At the end of the year (31-Mar-2021) | 536141 | 0.9613 | 536141 | 0.9613 |
| 7 | RAM GOPAL RAMGARHIA / ADGPR8048E # | | | | |
| | At the beginning of the year (01-Apr-2020) | 203147 | 0.3642 | | |
| | Transfer (30-Sep-2020) | 52894 | 0.0948 | 256041 | 0.4591 |
| | Transfer (31-Dec-2020) | -256041 | 0.4591 | 0 | 0.0000 |
| | At the end of the year (31-Mar-2021) | 0 | 0.0000 | 0 | 0.0000 |
| 8 | ABHISHEK TEJRAJ DOSHI / AEGPD9279J | | | | |
| | At the beginning of the year (01-Apr-2020) | 298145 | 0.5346 | | |
| | At the end of the year (31-Mar-2021) | 298145 | 0.5346 | 298145 | 0.5346 |
| 9 | SUJIT RANJAN MAITY / AENPM1192A | | | | |
| | At the beginning of the year (01-Apr-2020) | 137995 | 0.2474 | | |
| | At the end of the year (31-Mar-2021) | 137995 | 0.2474 | 137995 | 0.2474 |
| 10 | SARITA CHATRAKA / ANVPC0139N | | | | |
| | At the beginning of the year (01-Apr-2020) | 185271 | 0.3322 | | |
| | At the end of the year (31-Mar-2021) | 185271 | 0.3322 | 185271 | 0.3322 |
| 11 | NEHA SHARMA / BQDPS4562D | | | | |
| | At the beginning of the year (01-Apr-2020) | 755515 | 1.3546 | | |
| | At the end of the year (31-Mar-2021) | 755515 | 1.3546 | 755515 | 1.3546 |

* *Not in the list of Top 10 shareholders as on 01/04/2020 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2021.*

\# *Ceased to be in the list of Top 10 shareholders as on 31/03/2021. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2020.*

### 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-2020) / end of the year (31-Mar-2021) | | Cumulative Shareholding during the year (01-Apr-2020 to 31-Mar-2021) | |
|---|---|---|---|---|---|
| | | 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-2020) | 1193817 | 2.1405 | | |
| | At the end of the year (31-Mar-2021) | 1193817 | 2.1405 | 1193817 | 2.1405 |
| 2 | MAHESH GUPTA (PAN : ADGPG0686B) | | | | |
| | At the beginning of the year (01-Apr-2020) | 1399973 | 2.5101 | | |
| | At the end of the year (31-Mar-2021) | 1399973 | 2.5101 | 1399973 | 2.5101 |
| 3 | ARPITA GUPTA (PAN : ADOPA5454H) | | | | |
| | At the beginning of the year (01-Apr-2020) | 55200 | 0.0990 | | |
| | At the end of the year (31-Mar-2021) | 55200 | 0.0990 | 55200 | 0.0990 |
| 4 | LEELA MURJANI (PAN : ADQPM9518E) | | | | |
| | At the beginning of the year (01-Apr-2020) | 286094 | 0.5130 | | |
| | At the end of the year (31-Mar-2021) | 286094 | 0.5130 | 286094 | 0.5130 |

## VI. INDEBTEDNESS

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

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

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

### B. Remuneration to other Directors :

| Sl. No | Particulars of Remuneration | Name of the Directors | | | Total Amount |
|---|---|---|---|---|---|
| 1 | **Independent Directors** | Mr. Sushil Kumar Gupta (₹) | Miss. Leela Murjani (₹) | Mr. Vikash Kamani (₹) | (₹) |
| | Fee for attending board/ Committee meetings | 8,000.00 | 8,000.00 | - | 16,000.00 |
| | Commission | - | - | - | - |
| | Others | - | - | - | - |
| | **Total (1)** | **8,000.00** | **8,000.00** | **-** | **16,000.00** |
| 2 | **Others Non Executive Directors** | Mrs. Arpita Gupta (₹) | Mr. Sagar Mal Gupta (₹) | | |
| | Fee for attending board/ Committee meetings | - | - | | - |
| | Commission | - | - | | - |
| | Others | - | - | | - |
| | **Total (2)** | **-** | **-** | | **-** |
| | **Total (B)=(1+2)** | **8,000.00** | **8,000.00** | | **16,000.00** |

### 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. | Gross Salary | | | | |
| . | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | 123,000.00 | 264,000.00 | 387,000.00 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | | | | |
| | (a) As % of Profit | - | - | - | - |
| | (b) Others (Specify) | - | - | - | - |
| 5. | Others (Please Specify) | | | | |
| | Reimbursement of expenses | 305,000.00 | - | - | 305,000.00 |
| | **Total** | **305,000.00** | **123,000.00** | **264,000.00** | **692,000.00** |

**VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences for the year ending March 31, 2021.

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 : 6th August, 2021

**Annexure-6**

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

[pursuant to provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules,2014.]

**A. CONSERVATION OF ENERGY**

As a part of continued efforts towards energy conservation, some of the important energy conservation initiatives taken during the year 2020-21 in different areas are as under:

**a) 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.

**b) The steps taken by the company for utilizing alternate source of energy & Capital investment on energy conservation equipment**

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.

**c) Impact of these measures:**

Taking effective measures 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. 2,07,48,725 (previous year Rs. 1,49,88,692) |
| | **b) FOREIGN EXCHANGE OUTGOING** | : | Rs. Nil (Previous year Rs. Nil) |

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

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

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

Place : Kolkata
Dated : 6th August, 2021

**Annexure-7**

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21

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 31.03.2021 to the various Stock Exchanges aggregating to Rs. 3,30,000/- has been paid.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The pillars of successful corporate governance are accountability, fairness, transparency, assurance, leadership and stakeholder management. All six are critical in successfully running an entity and forming solid professional relationships among its stakeholders which include Board of Directors, managers, employees, customers, regulators and most importantly, shareholders.

### 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's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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

The Company's Corporate Governance practice is based on the following:

### I. BOARD OF DIRECTORS:

### A. Composition of Board

Your Company's Board of Directors comprises of an optimum combination of executive and non executive directos They play a key role in providing direction in terms of strategy, target setting and performance evaluation of the top management. The Board of Directors has Six Directors as on 31st March, 2021, comprising (i) 3 Independent Directors including one Woman director (ii) Chairman being Executive Director and two Non-Executive Directors. All the Independent Directors, with their diverse knowledge & expertise provide valuable contribution in the deliberations and decisions of the Board, maintaining the requisite independence. The Composition of the board is in conformity with the Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The profiles of Directors can be found on https://lnsel.com/wp-content/uploads/2020/09/brief-profiles-of-directors.pdf.

### B. Independent Directors

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of Independence as mandated by Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and that they are independent of the management. Further, the Independent Directors names are included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Your Company had also issued formal appointment letters to the Independent Directors in the manner provided under the Act and the SEBI LODR. The terms and conditions of the appointment of Independent Directors have been displayed on the website of the Company and can be accessed through the link: **https://lnsel.com/wp-content/uploads/2020/09/terms-and-conditions-of-appointment-of-independent-directors.pdf**

**C. Board Meetings**

Five Meetings of the Board of Directors were held during the year ended on 31st March 2021. At least 1 (one) Board Meeting was held in every quarter and the time gap between any 2 (two) Board Meetings did not exceed 120 days as prescribed under the SEBI Listing Regulations and the Act, apart from the first Board Meeting in the Financial Year held on June 29, 2020, wherein general relaxation was given by the SEBI as well as by the Ministry of Corporate Affairs ("MCA") in view of the Covid-19 pandemic.

The said meetings were held on 29th June 2020, 29th July 2020, 07th November 2020, 05th February 2021 & 26th February 2021.

The necessary quorum was present for all the meetings.

**D.Attendance of Directors, Directorships and other details**

(i) None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. None of the Directors is related to each other except Mr. Sagar Mal Gupta & Mrs. Arpita Gupta.

(ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting,name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below:

| Name of the Director | Category | No. of Meetings Held | No. of Meetings attended | Whether attended last AGM | No. of directorship held in other Indian Companies | No. of Committee Membership held in other public public companies (Including in the Company) | | Directorship in other listed Companies |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Member | Chairman | |
| Mr. Ajay Kumar Agarwal (DIN - 01265141) | Executive Director-Chairman | 5 | 5 | Yes | 0 | - | - | 0 |
| Mr. Sagarmal Gupta (DIN - 00536428) | Non-Executive Director | 5 | 5 | Yes | 1 | 2 | - | 0 |
| Mrs. Arpita Gupta (DIN - 02839878) | Non-Executive Director | 5 | 5 | Yes | 2 | 1 | 1 | 0 |
| Mr. Vikash Kamani (DIN - 06875355 | Independent Director / Non-Executive | 5 | 5 | Yes | 1 | - | 2 | 0 |
| Mr. Sushil Kumar Gupta (DIN - 00535958) | Independent Director / Non-Executive | 5 | 5 | Yes | 14 | 1 | - | 0 |
| Miss Leela Murjani (DIN - 02413222) | Independent Director / Non-Executive | 5 | 5 | Yes | 1 | 2 | - | 0 |

(iii) The information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its consideration during the Financial year 2020-21. The Board periodically reviews compliance reports of all laws applicable to the Company, as prepared by the Company.

(iv) During the year a separate meeting of the independent directors was held on 24th February, 2021 as required under Regulation 25(3) of the SEBI Listing Regulations.

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

(vi) **Familiarization Programmes for Board Members**

The familiarization programmes comprise of a combination of written information, presentations and activities, including meetings to enable them to familiarize with the Company management, operations & practices. The details on familiarization programmes can be accessed on the Company's Website link: www.lnsel.com/investors

(vii) Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

| Name | Category | Number of equity shares |
|---|---|---|
| S.M.GUPTA | Non-Executive Director | 1193817 |
| ARPITA GUPTA | Non-Executive Director | 55200 |
| LEELA MURJANI | Independent Director/Non Executive | 286094 |

The Company has not issued any convertible instruments.

(viii) **Board Skill Matrix**

Your Board had cautiously considered and identified an optimised mix of the Skills, Expertise, Competencies essentially required by the Company in the context of its sector. This was so done to ensure functioning of the business effectively and it has been confirmed that the Board has the required skills defined in the matrix provided below.

These attributes primarily and broadly are:

i. General Management of Corporate Affairs, Corporate Governance;
ii. General Information Technology and related fields; General IT Knowledge
iii. Law, Taxation, Finance related;
iv. Behavioural science;
v. Strategy Management;
vi. Leadership abilities

| | Area of Expertise/Skills/Competence | | | | | |
|---|---|---|---|---|---|---|
| **Director** | **Corporate Governance** | **General IT Knowledge** | **Law/Tax/ Finance** | **Behavioral Science** | **Strategy Management** | **Leadership abilities** |
| Mr. S.M. Gupta | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr.Vikash Kamani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr.Ajay Agarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ms. Leela Murjani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Arpita Gupta | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Sushil Kumar Gupta | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

(ix) **Compensation paid to the Directors for the period April 2020 to March 2021**

| Name of Directors | Sitting fees | Total |
|---|---|---|
| 1. Mrs. Arpita Gupta | Waived | Waived |
| 2. Ajay Kumar Agarwal | Waived | Waived |
| 3. Sagar Mal Gupta | Waived | Waived |
| 4. Mr. Vikash Kamani | Waived | Waived |
| 5. Mr. Sushil Kumar Gupta | 8000 | 8000 |
| 6. Miss Leela Murjani | 8000 | 8000 |

1. Sitting Fees constitute fees paid to Non-executive directors for attending Board and Committee Meetings.
2. The Company did not have any pecuniary relationship or transaction with the Non-Executive Directors during the year ended 31st March, 2021 save and except the sitting fees accepted by the two directors.

**II. COMMITTEES OF THE BOARD:**

The Board has constituted various committees with specific terms of reference and scope. The details of the committees constituted by the Board are given below:

**(A) AUDIT COMMITTEE**

**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.

**Meeting of Audit Committee**

The Committee has met 5 times in the financial year ended 31st March 2021 and the gap between the two meetings did not exceed 120 days as prescribed under the SEBI Listing Regulations, apart from the first Audit Committee Meeting in the Financial Year, held on June 29, 2020, wherein general relaxation was given by the SEBI as well as by the Ministry of Corporate Affairs ("MCA") in view of the Covid-19 pandemic. They were held on 29th June 2020, 29th July 2020, 07th November 2020, 05th February 2021 & 26th February 2021. The minutes of the meeting of the Audit Committee is reviewed and noted by the Board.

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

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

| Name of Member | Category | Position | No. of Meeting Held | No. of Meeting attended |
|---|---|---|---|---|
| 1. Mr. Vikash Kamani | Independent, Non-Executive | Chair Person | 5 | 5 |
| 2. Mr. Sushil Kumar Gupta | Independent, Non-Executive | Member | 5 | 5 |
| 3. Mr. S.M Gupta | Non-Executive | Member | 5 | 5 |

The previous Annual General Meeting of the Company was held on 29th September, 2020 and was attended by Vikash Kamani, the chairman of the Audit Committee.

**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 the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;

- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosures of any related party transactions.
  - Modified opinion (s) in the draft audit report.
- Reviewing with the management, the quarterly 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, and making appropriate recommendations to the board to take up steps in this matter.
- Review and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transaction of the company with related parties:
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings of assets of the company, where ever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any areas of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors .
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Review the financial statements, internal audit reports, related party transactions and such other information as required under the Act or the Listing Regulations.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**(B) NOMINATION AND REMUNERATION COMMITTEE**

**Qualified & Independent Nomination & Remuneration Committee**

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.

**Meetings of the Nomination & Remuneration Committee**

During the Financial Year 2020-21, the committee meetings were held on 29th June 2020, 29th July 2020, 07th November 2020, 05th February 2021 & 26th February 2021.

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 | 5 | 5 |
| 2. Mrs. Arpita Gupta | Non-Executive Director | Member | 5 | 5 |
| 3. Miss Leela Murjani | Independent, Non-Executive Director | Member | 5 | 5 |

The previous Annual General Meeting of the Company was held on 29th September, 2020 and was attended by Vikash Kamani, the chairman of the Nomination & Remuneration Committee. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

**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 evaluation of Independent Directors, Committees of Board and the Board of directors;
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;
5. Recommend to the Board, all remuneration, payable to senior management.
6. Recommending 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;
7. To perform such other function as may be delegated by the Board of Directors from time to time.

**Performance Evaluation Criteria for Independent Directors:**

Pursuant to the provisions of the SEBI Listing Regulations and as per the requirement of Schedule IV of the Act, the criteria and the brief details of the performance evaluation carried out of Independent Directors has been given in the Board's Report.

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Qualified & Independent Stakeholders Relationship Committee**

The Stakeholders Relationship Committee (SRC) of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013, read with Regulation 20 of the SEBI Listing Regulations.

**Meetings of the Stakeholder Relationship Committee**

During the Financial Year 2020-21, the committee meetings were held on 29th June, 2020 & 05th February 2021.

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 | 2 | 2 |
| 2. Mr. S. M. Gupta | Non-Executive Director | Member | 2 | 2 |
| 3. Miss Leela Murjani | Independent, Non-Executive Director | Member | 2 | 2 |

The previous Annual General Meeting of the Company was held on 29th September, 2020 and was attended by Mrs. Arpita Gupta, the chairman of the Stakeholders' Relationship Committee. The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

**A) Terms of Reference**

The roles, responsibilities and the terms of reference of the Stakeholders' Relationship Committee inter-alia include the following:

1. Resolve the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. All such complaints directly concerning the shareholders/ investors as stakeholders of the Company;
6. To review, approve or delegate transfer, transmission, transposition and mutation of shares/securities, including issue of duplicate certificates and new certificates on split/ sub-division/ consolidation/ renewal, and to deal with all related matters;
7. To review the dematerialization and rematerialisation of securities of the Company and such other related matters.

**Other details**

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

The total number of complaints received and replied to the satisfaction of shareholders. There were no complaints pending as on 31st March, 2021.

**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.

**Compliance Officer:**

Mrs. Pritika Gupta, Company Secretary, act as the Compliance Officer of the Company.

## III. GENERAL BODY MEETINGS

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

| Financial Year | Date | Time | Venue |
|---|---|---|---|
| 2017-18 | September 29, 2018 | 11 A.M | Shishir Mitra Hall<br>Webel Bhawan, Kolkata-700091 |
| 2018-19 | September 27, 2019 | 11 A.M | Shishir Mitra Hall<br>Webel Bhawan, Kolkata-700091 |
| 2019-20 | September 29, 2020 | 11 A.M | AGM held through Other Audio Visual Mean (OAVM) facility. Deemed venue- 14B, Camac Street, Kolkata-700017. OAVM facility provided by National Securities Depositories Ltd. |

No extraordinary general meeting of the members was held during Financial Year 2021.

Special Resolution for re appointment of Sushil Kumar Gupta, Leela Murjani & Vikash Kamani was passed at the Annual General Meeting held on September 27, 2019 and no special resolution was passed in the previous AGMs held in 2020 and 2018.

No Postal Ballot was conducted during the Financial Year 2021. .

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

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

## IV. DISCLOSURES

### (A) Disclosure on materially significant related party transactions:

There are no materially significant related party disclosures i.e. transactions that may have potential conflict with the interests of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website www.lnsel.com

### (B) Compliances by the Company of Capital Market Guidelines

During the last three years, there were no instances of non-compliance, by the company no penalty or strictures were 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.

### (C) Whistle Blower Policy

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

(D) 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 chief Internal Auditor reports to the chairman of the Audit Committee.

(E) **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 companies.

The minutes of the Board Meetings of the unlisted subsidiary companies has been placed at the board meeting of the listed holding companies. 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 companies.

The Company has a material unlisted subsidiary company, Lensel Web Services Pvt Ltd.

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

(F) **Policy on Determination of Materiality for Disclosures**

Pursuant to Regulation 30 of SEBI Listing Regulations, the Company has adopted this policy. It has been disclosed on the Company's website (link: https://lnsel.com/investors-materiality policy).

(G) **Policy on Archival and Preservation of Documents**

Pursuant to Regulation 9 of SEBI Listing Regulations, the Company has adopted this policy. It has been disclosed on the Company's website (link: https://lnsel.com/investors-archival policy)

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

A qualified practicing Company Secretary carried out a Reconciliation 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 paid-up capital is in agreement with the total number of shares in physical form and in dematerialized form shares held with NSDL and CDSL.

(I) **Code of Conduct**

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

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

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

(J) **Fees paid to the Statutory Auditors**

The total payment of Statutory audit fees on a consolidated basis, comprising of remuneration for audit of the Company & its subsidiaries Jain Sonu & Associates, Statutory Auditors of the company is Rs. 35,400/-

(K) **Dividend Distribution Policy**

In terms of the Dividend Distribution Policy, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, considering the insufficiency of profits to cover the brought forward loss of earlier years and the cash position, fund requirements for growth of business of the Company, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2021.

(L) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018**

The Company has put in place a policy against sexual harassment complaint. As per the policy, any employee may report his/her complaint to the Committee by various modes, i.e. in person, through email, in writing or by calling on mobile number. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year.

(M) **Adherence to Accounting Standards**

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 and to the best of its knowledge; there are no deviations in the accounting treatment that require specific disclosure.

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

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

**(O) CEO/CFO Certification**

The Chief Executive Officer and the Chief Financial Officer of the Company have given certification on financial reporting and internal controls to the Board as specified in Part B of Schedule II to the SEBI LODR on an annual basis. The said certificate forms part of this Annual Report.

(P) During the financial year ended March 31, 2021, the Board of Directors has accepted recommendations of the committees of the Board.

**(V) MEANS OF COMMUNICATION**

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

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

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

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

**(VI) GENERAL SHAREHOLDERS INFORMATION**

**Annual General Meeting for Financial Year 2020-21**

Date: 29th September, 2021

Time: 11:00 A.M.

Venue: Due to the continued COVID-19 pandemic and the need to follow social distancing norms, the Ministry of Corporate Affairs vide its circular no. 02/2021 dated January 13, 2021 and SEBI vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has permitted to hold the AGM through VC/OAVM. Hence, the meeting will be held through VC/OAVM.

**Financial Calendar**

Year ending: March 31

Annual General Meeting in: September, 2021

**Financial Reporting;**

| | |
|---|---|
| Results for quarter ended June 30, 2021 | On or before 14-08-2021 |
| Results for quarter ending Sept. 30, 2021 | On or before 14-11-2021 |
| Results for quarter ending Dec. 31, 2021 | On or before 14-02-2022 |
| Results for year ending Mar. 31, 2022 (Audited) | On or before 30-05-2022 |

**Date of book closure/ record date:** 23rd day of September 2021 to 29th day of September, 2021(Both days inclusive).

**Dividend payment date**: No dividend has been recommended by the Board of Directors for the financial year 2020-21.

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

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

**Registrar and Share Transfer Agents**

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. Maheshwari Datamatics Pvt. Ltd having their office at::

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

**Stock Code:**

BSE Ltd. 517415

**Demat ISIN Nos.** INE791B01014

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

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

**Listing of Securities:**

**Name of the Stock Exchange:**

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

Listing Fees as applicable have been paid.

**Distribution of Shareholding:**

The shareholding distribution of Equity Shares as on 31st March, 2021 is given below:

| Sl No. | No. of Equity Shares Held | | | No. of Share Holders | % of Share Holders | No. of Shares | % of Shareholding |
|---|---|---|---|---|---|---|---|
| 1. | 1 | to | 500 | 15434 | 84.48 | 2735552 | 4.90 |
| 2. | 501 | to | 1000 | 1329 | 7.27 | 1148436 | 2.06 |
| 3. | 1001 | to | 2000 | 682 | 3.73 | 1095242 | 1.96 |
| 4. | 2001 | to | 3000 | 228 | 1.24 | 597692 | 1.07 |
| 5. | 3001 | to | 4000 | 97 | 0.53 | 356492 | 0.64 |
| 6. | 4001 | to | 5000 | 123 | 0.67 | 585004 | 1.05 |
| 7. | 5001 | to | 10000 | 192 | 1.05 | 1411276 | 2.53 |
| 8. | 10001 | to | Above | 189 | 1.03 | 47857360 | 85.80 |
| **GRAND TOTAL** | | | | **18270** | **100.00** | **55774000** | **100.00** |

**Category of Shareholders (as on 31.03.2021)**

| Category | No. of Holders | No. of Shares | % of holding |
|---|---|---|---|
| PROMOTER | 10 | 39251234 | 70.375 |
| NRI | 31 | 72535 | 0.130 |
| FII | - | - | - |
| OCB | - | - | - |
| IFI | - | - | - |
| IMF | - | - | - |
| BANK | - | - | - |
| EMPLOYEES | - | - | - |
| BODIES CORPORATE | 92 | 258135 | 0.463 |
| CLEARING MEMBER | 23 | 43987 | 0.079 |
| PUBLIC | 18114 | 16148109 | 28.950 |
| TRUST | - | - | - |
| **GRAND TOTAL** | **18270** | **55774000** | **100.000** |

## Market Price Data:

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

| Month | Quotation at Bombay Stock Exchange | | |
|---|---|---|---|
| | High (₹) | Low (₹) | No. of shares traded |
| April 20 | 1.15 | 0.95 | 5384 |
| May 20 | 0.95 | 0.74 | 43516 |
| June 20 | 1.28 | 0.82 | 71361 |
| July 20 | 1.85 | 1.22 | 152022 |
| August 20 | 1.8 | 1.48 | 79496 |
| September 20 | 1.55 | 1.26 | 67380 |
| October 20 | 1.57 | 1.27 | 56364 |
| November 20 | 1.82 | 1.4 | 73081 |
| December 20 | 2.36 | 1.59 | 307071 |
| January 21 | 2.84 | 2.46 | 52496 |
| February 21 | 2.34 | 1.43 | 27098 |
| March 21 | 2.43 | 1.33 | 299482 |

**Source: www.bseindia.com**

**Share Price Performance in comparison to broad based indices :**

**Dematerialization of Shares:**

Your Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for dealing in Equity Shares of the Company in dematerialized form. Your Company has been allotted (ISIN No. INE 791B01014). Nearly 97% i.e. 54112322 Equity Shares of Total Equity Capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2021.

**Share Transfer System:**

As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form. Members holding shares in physical form are advised to avail the facility of dematerialisation. These provisions are not applicable for transmission (i.e. transfer of title of shares by way of inheritance/ succession) and transposition (i.e. re-arrangement/ interchanging of the order of name of shareholders) cases.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**Plant Location**

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

**Address for Correspondence**

M/s. Lee & Nee Softwares (Exports) Ltd.
14B, Camac Street, Kolkata- 700 017
Ph: 4065 0374
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 : 6th August, 2021

## CERTIFICATE

**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

1. The Corporate Governance Report prepared by Lee & Nee Softwares (Exports) Limited (hereinafter "the Company"), contains details as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") for the year ended March 31, 2021 as required by the Company for annual submission to the Stock Exchange.

**Management's Responsibility for compliance with the conditions of Listing Regulations**

2. The compliance of conditions of corporate governance as stipulated under the Listing Regulations is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.
3. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the corporate Governance Report.

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation there of, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance, as Specified in the Listing Regulations for the year ended 31 March, 2021.
6. We conducted our examination of the Corporate Governance compliance by the company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Others Matters and Restriction on Use**

10. This Certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of 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 person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN: 21060015AAAADN5892

Place: Kolkata
Date: 6th August, 2021

## 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 Vikash Singh, Chief financial Officer of Lee & Nee Softwares (Exports) Ltd, in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby certify that:

A. We have reviewed financial statements including the cash flow statement, of the Company for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee for the year ended 31stMarch, 2021, there were:

i) No significant changes in internal control over financial reporting during the year.

ii) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and

iii) No instances of significant fraud of which we have become aware and there has been no involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

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

Place: Kolkata
Date: 6th August, 2021

Mahesh Gupta
Chief Executive Officer

Vikash Singh
Chief Financial Officer

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

*[Regulation 34, read with Schedule V(D), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

This is to confirm that the Company has laid down and adopted a Code of Conduct for all Board Members and senior management personnel of the Company. The Code of conduct is available on the Company's website.

To
**Shareholders**
**Lee & Nee Softwares (Exports) Limited.**
**14B, Camac Street, Kolkata -700017**
West Bengal, India

Sub.: Compliance with Code of Conduct

I hereby declare that for the financial year ended 31st March, 2021, all the Board members and senior management personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

**Ajay Kumar Agarwal**
Director

Place: Kolkata
Date: 6th August, 2021

## 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**
West Bengal, India

We 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, CamacStreet, Kolkata -700017, West Bengal, India** (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Paragraph-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our 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) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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. | Mrs. Arpita Gupta | 02839878 | 24/10/2009 |
| 2. | Mr. Sagar Mal Gupta | 00536428 | 15/12/1991 |
| 3. | Ms. Leela Murjani | 02413222 | 25/07/2014 |
| 4. | Mr. Sushil Kumar Gupta | 00535958 | 25/07/2014 |
| 5. | Mr. Ajay Kumar Agarwal | 01265141 | 29/04/2004 |
| 6. | Mr. Vikash Kamani | 06875355 | 25/04/2014 |

Ensuring the eligibility of every Director for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our 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.

For **Rasna Goyal**

Practising Company Secretary
C.P No. 9209, FCS No. 9096
UDIN: F009096C000532113

Place: Kolkata
Date: 28th June, 2021

## 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 accompanying Standalone Financial Statements of **M/s LEE & NEE SOFTWARES (EXPORTS) LTD**("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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, notes to the Standalone financial statements, including 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, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 there under, 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 on the standalone financial statements.

**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 for the year ended March 31, 2021. 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.

**We have determined the matters described below to be the key audit matters to be communicated in our report:-**

| Description of Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| **Revenue Recognition- Fixed Price Contracts**<br>The Company inter alia engages in Fixed-price contracts wherein, revenue is recognized based on the percentage of work completed. This is estimated by the Company on the basis of the completion of milestones and activities as agreed with the customers. Therefore, the revenue is recognised on completion and certified milestone by the customers after obtaining the "sign up" from the customer. (Refer Note 2(c) to the standalone financial statements). | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>• Obtained an understanding of key internal controls over recording of activities completed and of general IT controls for the project management tool. Performed walk through of the underlying process and documented the controls and assessed the effectiveness of their design and implementation. Also performed tests to assess whether the controls were operating as designed.<br>• Involved IT specialists to assess whether the project management tool captured activities completed in the correct period and whether the related milestone was derived from a system that is operating effectively. |

- Selected a sample of contracts, using a mix of quantitative & qualitative criteria, and performed the following procedures for each contract selected:
  - Inspecting key terms, including transaction price, deliverables, performance obligations, timetable and milestones, set out in o Inspecting key terms, including transaction price, deliverables, performance obligations, timetable, set out in the contract;
  - Inquired of the relevant project managers about key aspects and the progress of the contracts, including the estimated total contract costs, key project risks, amendments, contingencies and billing schedules;
  - verified project management tool for budgeted efforts and related milestones and verified accuracy of milestones based on actualization of efforts for delivered projects and past data;
  - verified the details of activities completed with those stated in the customer contract and as confirmed by the project manager including agreeing the respective activities performed according to the project management tool with customer report/ confirmations which forms the basis of milestone completion;
  - tested on a sample basis the underlying invoices in respect of fixed price contracts and related cash receipts; and
  - verified the ageing analysis and perform analytical procedures, based on revenue trends, to assess the movements in accruals.

**Other Information**

The Company's management and Board of Directors are 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.

**Responsibilities of Management for the Standalone Financial Statements**

The Company's management and Board of Directors are 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), financial performance (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 Indian Accounting Standards (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 and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 with reference to standalone financial statements 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 in the standalone financial statements made by the management.

• Conclude on the appropriateness of Management and Board of Directors 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 143 (11) the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report 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 Standalone Balance Sheet, the Statement of Profit and Loss (including 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 financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.

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

      i. The Company does not have any pending litigations which would impact its financial position in its Standalone 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.

      iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these

   h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid/ provided to its directors during the current year by the Company.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN : 21060015AAAACY5879

Place: Kolkata
Date: 29th June, 2021

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[REFFERED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LEE & NEE SOFTWARES (EXPORTS) LTD.]

(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 by the management according to the program of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

c) The Companies 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 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. Accordingly, the provisions of Clauses 3(iii) (a), (b) and (c) 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 within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. 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, Employees State Insurance, Income Tax, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities to the extent applicable.

According to information and explanations given to us, no undisputed amounts payable in respect of the Provident Fund, Employees State Insurance, Goods and Service Tax, Income Tax and Cess and other statutory dues were in arrears as at 31st March, 2021 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 in respect of Goods and Service Tax, Income Tax, Sales Tax, Service Tax, Custom Duty, Duty of excise, Value Added Tax and Cess which have not been deposited with the appropriate authorities to the extent applicable 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 to the Company.

(x) Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(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) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(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 persons connected with them. Accordingly, Clause 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3 (xvi) of the Order is not applicable to the Company.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN : 21060015AAAACY5879

Place: Kolkata
Date: 29th June, 2021

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[REFFERED TO IN PARAGRAPH 2.A.(f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LEE & NEE SOFTWARES (EXPORTS) LTD.]

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

### OPINION

We have audited the internal financial controls with reference to standalone financial statements of Lee & Nee Softwares (Exports) Ltd. ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

### MANAGEMENT'S RESPONSIBILTY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILTY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our Audit. We conducted our Audit in accordance with the Guidance Note 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 with reference to standalone financial statements. 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 standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of Internal Financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the standalone 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 with reference to standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements include 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 standalone financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN : 21060015AAAACY5879

Place: Kolkata
Date: 29th June, 2021

## BALANCE SHEET AS AT 31ST MARCH, 2021

| | | NOTES | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 3 | 806,722 | 499,717 |
| | (b) Goodwill | 3 | 243,934,701 | 243,934,701 |
| | (c) Intangible assets | 3 | 73,700 | 73,700 |
| | (d) Financial assets | | | |
| | i) Investments | 4.1 | 69,955,771 | 68,417,801 |
| | ii) Trade Receivable | 4.2 | 8,153,291 | 8,193,295 |
| | iii) Loans | 4.3 | 125,912,214 | 122,244,233 |
| | iv) Other financial assets | 4.4 | 104,966 | 1,424,178 |
| | (e) Other non-current assets | 5 | 55,613,521 | 60,113,521 |
| | **Total Non -Current Assets** | | 504,554,886 | 504,901,147 |
| | **Current Assets** | | | |
| | (a) Financial assets | | | |
| | i) Trade receivables | 6.1 | 3,477,305 | 2,231,898 |
| | ii) Cash and cash equivalents | 6.2 | 4,351,014 | 2,432,840 |
| | iii) Loans | 6.3 | 30,916,500 | 29,334,000 |
| | (b) Other current assets | 7 | 3,243,374 | 3,938,440 |
| | **Total Current Assets** | | 41,988,192 | 37,937,178 |
| | **TOTAL ASSETS** | | **546,543,079** | **542,838,325** |
| II | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity share capital | 8 | 557,740,000 | 557,740,000 |
| | (b) Other equity | 9 | (19,274,969) | (21,181,683) |
| | **Total Equity** | | 538,465,031 | 536,558,317 |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Other financial liabilities | 10 | 796,414 | 491,242 |
| | (b) Deferred tax liabilities (net) | | - | - |
| | **Total Non-Current Liabilities** | | **796,414** | **491,242** |
| | **Current Liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Trade payables | 11 | 4,381,235 | 2,251,899 |
| | (b) Other current liabilities | 12 | 2,900,399 | 3,051,132 |
| | (c) Provisions | 13 | - | 485,736 |
| | (d) Current Tax Liabilities(Net) | | - | - |
| | **Total Current Liabilities** | | 7,281,635 | 5,788,767 |
| | **TOTAL EQUITY AND LIABILITIES** | | **546,543,079** | **542,838,325** |
| | 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 **Jain Sonu and Associates**
Chartered Accountants
Firm's Regn. Number: 324386E

**Sonu Jain**
Partner (Membership No.: 060015)
Kolkata, 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Gupta**
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

| | | NOTE NO. | Year ended 31.03.2021 Amount (₹) | Year ended 01.04.2020 Amount (₹) |
|---|---|---|---|---|
| I. | Revenue from operations | 14 | 48,165,857 | 41,650,804 |
| II. | Other income | 15 | 5,102,335 | 5,980,427 |
| **III.** | **Total revenue (I + II)** | | **53,268,192** | **47,631,231** |
| **IV.** | **Expenses** | | | |
| | Purchase (Software & Service) | | 8,461,566 | 4,943,701 |
| | Employee benefits expense | 16 | 27,720,530 | 22,737,960 |
| | Depreciation and amortization expense | 17 | 177,737 | 297,538 |
| | Other expenses | 18 | 15,121,365 | 18,233,608 |
| | **Total expenses** | | **51,481,198** | **46,212,807** |
| **V.** | **Profit before tax (III - IV)** | | **1,786,994** | **1,418,424** |
| **VI.** | **Tax expense:** | | | |
| | (1) Current tax (Including tax reversed of earlier year Rs 222044 ) | | 168,196 | 385,522 |
| | (2) Deferred tax | | - | - |
| **VII.** | **Profit for the period (V-VI)** | | **1,618,798** | **1,032,902** |
| **VIII.** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to statement of profit and loss | | | |
| | a) Changes in Fair Value of Equity Instruments through Other Comprehensive Income | | 287,917 | (196,248) |
| | b) Income tax relating to item (a) above | | - | - |
| | **Other comprehensive income (net of tax )** | | **287,917** | **(196,248)** |
| **IX. Total comprehensive income for the year** | | | **1,906,715** | **836,654** |
| **X. Earning per equity share :** | | | | |
| | (1) Basic | | 0.03 | 0.02 |
| | (2) Diluted | | 0.03 | 0.02 |

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 : 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Gupta**
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

| Sl No. | PARTICULARS | Year ended 31.03.2021 Amount (₹) | Year ended 31.03.2021 Amount (₹) | Year ended 31.03.2020 Amount (₹) | Year ended 31.03.2020 Amount (₹) |
|---|---|---|---|---|---|
| I. | **CASH FLOWS** | | | | |
| 1 | From Operating Activities | | | | |
| | (a) Net Profit / (Loss) before tax from Operating Activities | | 1,786,994 | | 1,418,423 |
| | Adjustments: | | | | |
| | Depreciation and amortisation | 177,737 | | 297,538 | |
| | Interest Income | (4,379,407) | | (4,996,640) | |
| | Other Income | (722,928) | (4,924,598) | (983,788) | (5,682,889) |
| | Operating Profit/ (Loss) before working capital changes | | (3,137,604) | | (4,264,467) |
| | (b) Working Capital changes: | | | | |
| | Decrease/ ( Increase) in trade receivables | (1,205,403) | | 859,043 | |
| | Decrease/ ( Increase) in Loans | (1,582,500) | | 1,016,000 | |
| | Decrease/ (Increase) in other current assets | 695,066 | | (1,026,101) | |
| | Increase/ ( Decrease) in Trade Payables | 2,129,336 | | (1,943,944) | |
| | Increase/ ( Decrease) in other current liabilities | (150,732) | | 2,507,713 | |
| | Increase/ ( Decrease) in provisions | (485,736) | (599,969) | (195,310) | 1,217,401 |
| | Cash generated from Operating Activities | | (3,737,573) | | (3,047,066) |
| | Income Taxes Paid | | (168,196) | | (385,522) |
| | Taxes relating to earlier year | | - | | - |
| | **Net Cash from Operating Activiites Total of (1)** | | **(3,905,769)** | | **(3,432,588)** |
| 2 | From Investing Activities | | | | |
| | Purchase of Fixed Aseets | (484,742) | | (216,805) | |
| | Purchase/Sale of Investment | (1,250,053) | | (440,978) | |
| | Decrease/(Increase) in non current loans | (3,667,981) | | (5,264,721) | |
| | Decrease/(Increase) in other Financial Assets | 1,319,212 | | 115,525 | |
| | Decrease/(Increase) in other non current loans | 4,500,000 | | 770,294 | |
| | Decrease/(Increase) in other Financial Liabilities | 305,172 | | (1,069,998) | |
| | Interest received | 4,379,407 | | 4,996,639 | |
| | Other income | 722,928 | | 983,788 | |
| | **Net Cash from Investing Activiites Total of (2)** | | **5,823,943** | | **(126,255)** |
| 3 | From Financing Activities | | | | |
| | Decrease/(Increase) in other Equity | | - | | - |
| | **Total of (3)** | | - | | - |
| II. | **Net (decrease)/increase in Cash and Bank Balances (I-II) Total Cash flows (1+2+3)** | | 1,918,174 | | (3,558,844) |
| | Add: Cash and Bank Balances at the beginning of the period | | 2,432,840 | | 5,991,683 |
| III. | **Cash and Bank Balances at the end of the period (Refer Note 6.2)** | | **4,351,014** | | **2,432,840** |

In terms of our report attached

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

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

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

Kolkata, 29th June, 2021

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

### A. EQUITY SHARE CAPITAL

| PARTICULARS | AMOUNT (₹) |
|---|---|
| **As at 31 March 2020** | **55,774,000** |
| Changes in equity share capital | - |
| **As at 31 March 2021** | **55,774,000** |

### B. OTHER EQUITY

| PARTICULARS | RESERVES AND SURPLUS | | ITEMS OF OTHER COMPREHENSIVE INCOME | TOTAL |
|---|---|---|---|---|
| | Capital Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | |
| | (₹) | (₹) | (₹) | (₹) |
| **Balance as at 31 March 2020** | **10,000** | **(21,187,160)** | **(4,523)** | **(21,181,683)** |
| Profit for the year | - | 1,618,798 | 287,917 | 1,906,715 |
| **Balance as at 31 March 2021** | **10,000** | **(19,568,362)** | **283,394** | **(19,274,969)** |

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 : 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

**NOTE - 1**

**Corporate & general information**

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 33 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 at14-B,CamacStreet,Kolkata–700017,India.

The financial statements of the Company for the year 31st March 2021 were approved and authorized for issue by board of directors in their meeting held on 29th June, 2021.

**NOTE - 2**

**Significant accounting policies**

*a.* ***Statement of Compliances****:*These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter.

*b.* ***Basis of Preparation of Financial Statements:***The Company has consistently applied the accounting policiesexcept where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

The financial statements has been prepared considering all IND AS as notified and made applicable by Ministry of Corporate Affairs for reporting date i.e. 31 March 2021.

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.

*c.* ***Basis of measurement:*** The standalone financial statements have been prepared on a historical cost basis, except for the certain financial assets (investments) & financial liabilities, if any which are measured at fair value. Fair Value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

*d.* ***Use of Estimates and Judgments*****:** Preparation of financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively and in the period in which the estimates are revised and future periods are affected. 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.

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

***Useful lives of 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. This reassessment may result in change in depreciation expense in future periods.The lives are based onhistorical experience with similar assets as well as anticipation of future events, which may impact their life, such aschanges in technology.

***Measurement of defined benefit obligations:***

The company's defined benefit obligation to its employees and net periodic defined benefit cost / income requiresthe use of certain assumptions, including, among others, estimates of discount rates and expected return on planassets. 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 underrelevant Notes.

***Impairment Testing:***

Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Refer note 2 (g) and (h) for details.

***Estimation of provisions and contingencies:***

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

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

Contingent assets are neither recognised nor disclosed in the financial statements. Refer note 2 (m)for details.

*Recognition of deferred tax assets:*

Refer note 2 (t) for details.

***Current & Non-current classification:***

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.

***Fair value measurements*:**

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk etc. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

*e.* ***Revenue/Expenses Recognition:***

The Company derives revenue primarily from Information Technology Services and Solutions. The Company recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

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:*

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the milestone wise project.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for the completed milestone of the contract.

*Sale of software products and licenses:*

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

Revenue from sale of licenses, where no customization is required, is recognized upon delivery of these licenses which constitute transfer of all risks & rewards.

*Maintenance Contracts:*

Revenue from maintenance contracts is recognised on a pro-rata basis over the period in which such services are rendered.

Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

Revenues are reported net of GST and applicable discounts and allowances.

*Other Income*

Other income primarily comprises of interest, dividend. Interest income is recognized in the Statement of Profit andLoss using effective interest method at the time of accrual. Dividend income is recognized in the Statement of Profitand 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 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.

*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 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.

Intangible assets with indefinite useful lives (like goodwill, brands), if any are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. The change in useful life from indefinite to finite life if any, is made on prospective basis.

*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, areclassified as Current Investments. All investments other than current investments are classified as non-current investments. Investments are valued in accordance with the applicable Ind AS.

*j.* ***Investments in subsidiaries***

Investments in subsidiaries are measured at cost less impairment loss, if any.

*k.* ***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 (FVTOCI)*

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the company has exercised the option to classify the equity investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in other comprehensive income. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive Income (OCI).

*Financial assets at fair value through profit or loss(FVTPL)*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Financial Assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit &Loss.

*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.

*l.* ***Foreign currency transactions***

**Functional currency and presentation currency:**

The financial statements are presented in Indian Rupees (i.e., INR), which is also the Company's functional currency. All amounts have been rounded –off to the nearest lakhs , unless otherwise indicated.

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

*m.* ***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.Contingent assets are assessed continually and are disclosed in the financial statements in the period in which it is virtually certain that an inflow of economic benefit will arise.

*n.* ***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.

**Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the year when the employees render the services. These benefits include performance incentives.

*o.* ***Borrowings:***

The Company has not borrowed any sums.

*p.* **Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company are segregated.

*q.* ***Inventories:***

Company does not have any inventory. As such provisions of Ind AS 2 are not applicable.

*r.* ***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.

*s.* ***Leases:***

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

*t.* ***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 between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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.

*u.* ***Segment reporting:***

The Company is primarily engaged in Information Technology and related services. There are no other reportable segments in terms of IND AS - 108 on Segment Reporting issued by The Institute of Chartered Accountants of India.

*v.* ***Earnings per Share:***

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. As on the balance sheet date, the Company has no dilutive potential equity shares.

*w.* **Standards issued but yet not effective**

Ministry of Corporate Affairs (MCA) notified new standard and amendments to the existing standards. There are no standards that are issued but not yet effective on March 31, 2021.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 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 | | |
| **Cost or valuation** | | | | | |
| **At 31 March 2020** | **6,187,500** | **5,391,934** | **409,667** | **243,934,701** | **1,478,612** |
| Add : Additions | - | 484,742 | - | - | - |
| Less : Disposals / Write off | - | - | - | - | - |
| Less : Capitalised during the year | - | - | - | - | - |
| Less : Classified as held for sale | - | - | - | - | - |
| **At 31 March 2021** | **6,187,500** | **5,876,676** | **409,667** | **243,934,701** | **1,478,612** |
| **Accumulated Depreciation / Amortization / Impairment** | | | | | |
| **At 31 March 2020** | **6,187,500** | **4,909,606** | **392,277** | **-** | **1,404,912** |
| Depreciation charge for the year | - | 177,523 | 214 | - | - |
| Disposals | - | - | - | - | - |
| Impairment charge for the year | - | - | - | - | - |
| **At 31 March 2021** | **6,187,500** | **5,087,130** | **392,491** | **-** | **1,404,912** |
| **Net Book Value** | | | | | |
| At 31 March 2021 | - | 789,546 | 17,176 | 243,934,701 | 73,700 |
| At 31 March 2020 | - | 482,327 | 17,390 | 243,934,701 | 73,700 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### NOTE - 4.1 INVESTMENTS

| Particulars | Face Value (₹) | Numbers 31.03.2021 | Numbers 31.03.2020 | Amount (₹) 31.03.2021 | Amount (₹) 31.03.2020 |
|---|---|---|---|---|---|
| **Quoted, fully paid up:** | | | | | |
| Investments in Equity Instruments | | | | | |
| *Carried at Fair Value through OCI* | | | | | |
| - Hindustan Construction Ltd. | 1 | 100 | 100 | 807 | 399 |
| - Hindustan Motor Ltd. | 5 | 100 | 100 | 642 | 304 |
| - PCS Technologies Ltd. | 10 | 50 | 50 | 248 | 120 |
| - Century Extrusions Ltd. | 1 | 200 | 200 | 850 | 340 |
| - ICICI Bank Ltd. | 2 | 181 | 181 | 105,206 | 58,735 |
| - Bharat Forge | 2 | - | 100 | - | 23,410 |
| - NTC Industries Ltd. | 10 | 100 | 100 | 5,595 | 2,100 |
| **Sub total of quoted investments in equity (A)** | | | | **113,348** | **85,407** |
| Investments in Debentures (Quoted) | | | | | |
| Carried at Fair Value through OCI | | | | | |
| - Finolex Pipe Ltd. | 2 | 25 | 25 | 15,925 | 9,768 |
| **Sub total of quoted investments in debentures (B)** | | | | **15,925** | **9,768** |
| **Aggregate amount of quoted investments (A+B)** | | | | **129,273** | **95,175** |
| **Unquoted, fully paid up:** | | | | | |
| Investments in Equity Instruments | | | | | |
| *Measured at Cost* | | | | | |
| - 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 | | | | | |
| Measured at Cost | | | | | |
| - Lensel Web Services (P) Ltd. | 100 | 10000 | 10000 | 3,614,700 | 3,614,700 |
| - Rituraj Shares Broking (P) Ltd. | 100 | 36200 | 36200 | 29,637,851 | 29,637,851 |
| **Aggregate amount of unquoted investments** | | | | **33,263,386** | **33,263,386** |
| **Quoted, fully paid up:** | | | | | |
| Investments in Mutual Fund | | | | | |
| *Carried at Fair Value throuch OCI* | | | | | |
| - HDFC Liquid Fund_Regular Plan_Growth | | 181,923 | 46,492 | 2,155,102 | 520,962 |
| - Kotak Low Duration Fund Statndard Plan Growth | | 38 | - | 100,313 | - |
| - Edelweiss Balanced Advantage Fund | | 33,245 | - | 1,046,900 | - |
| - ICICI Prudential balanced Advantage Fund | | - | 32,166 | - | 983,308 |
| - UTI Floating Rate Fund | | - | 40 | - | 123,171 |
| **Aggregate amount of investment in Mutual Fund** | | | | **3,302,315** | **1,627,440** |
| **Investments in Partnership Firm:** | | | | | |
| - M. M. International | | | | 33,260,798 | 33,431,801 |
| *Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 1590619.02)* | | | | | |
| **Aggregate amount of investment in Partnership Firm** | | | | **33,260,315** | **33,431,801** |
| **TOTAL** | | | | **69,955,771** | **68,417,801** |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 4.2** | | |
| **TRADE RECEIVABLES (Non Current)** | | |
| Unsecured, Considered good | 8,153,291 | 8,193,295 |
| **NOTE - 4.3** | | |
| **LOANS (Non Current)** | | |
| Unsecured, Considered good | | |
| i) Security Deposit | 314,285 | 311,785 |
| ii) Other Loans (Interest Accrued There On) | 54,315,165 | 52,965,634 |
| iii) Inter Corporate Deposit | 71,282,764 | 68,966,814 |
| | 125,912,214 | 122,244,233 |

** The Company has given inter corporate deposit to its 100% subsidiary Lensel Web Services Pvt ltd.*

| | | |
|---|---|---|
| **NOTE - 4.4** | | |
| **OTHER FINANCIAL ASSETS (Non Current)** | | |
| Deposits with more thans 12 months Maturity | 104,966 | 1,424,178 |
| **NOTE - 5** | | |
| **OTHER NON CURRENT ASSETS** | | |
| Unsecured, Considered Good | | |
| i) Deposits with government and others | 11,021 | 11,021 |
| ii) Capital Advances | 55,602,500 | 60,102,500 |
| | 55,613,521 | 60,113,521 |
| **NOTE - 6.1** | | |
| **TRADE RECEIVABLES (Current)** | | |
| Unsecured, considered good | 3,477,305 | 2,231,898 |
| **NOTE - 6.2** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| i) Balance with Banks: | | |
| - In Current Account | 2,495,303 | 1,890,440 |
| ii) Balance with Financial Institution - in deposit account | 1,054,859 | - |
| iii) Cash on Hand | 800,852 | 542,401 |
| | 4,351,014 | 2,432,840 |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 6.3** | | |
| **LOANS (Current)** | | |
| Unsecured, Considered Good | | |
| i) Security Deposit | 10,000 | 10,000 |
| ii) Inter Corporate Deposit | 30,906,500 | 29,324,000 |
| | 30,916,500 | 29,334,000 |

** 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 government and others | 16,051 | 40,831 |
| ii) Advance Tax (net of provisions) | 2,393,078 | 3,110,129 |
| iii) Minimum Alternate Tax Credit entitlement | 742,315 | 635,022 |
| iii) Employee Advances | 25,000 | 50,000 |
| iii) Other Advances (Trade Adv) | 66,930 | 102,458 |
| | 3,243,374 | 3,938,440 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 8** | | |
| **EQUITY SHARE CAPITAL** | | |
| **Authorised** | | |
| 60,000,000 Equity Shares of Rs.10 each (Previous years : 60,000,000 Equity Shares) | 600,000,000 | 600,000,000 |
| **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 |

**A) Movement in Equity Share Capital:**

| Particulars | No. of shares | Amount (₹) |
|---|---|---|
| Balance at March 31, 2020 | 55,774,000 | 557,740,000 |
| Movement during the year | - | - |
| Balance at March 31, 2021 | 55,774,000 | 557,740,000 |

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

| Name of the Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Sunita Gupta | 8573533 | 15.3719 | 8573533 | 15.3719 |
| Neena Gupta | 41801772 | 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:**

a) The Company has only one class of Equity Shares having par value of Rs 10 each. Each share holder is eligible for one vote per share held.

b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 9** | | |
| **OTHER EQUITY** | | |
| i) Capital Reserve | 10,000 | 10,000 |
| ii) Retained Earnings | (19,568,362) | (21,187,160) |
| iii) Equity instruments through other comprehensive income | 283,394 | (4,523) |
| | (19,274,969) | (21,181,683) |
| **i) Capital Reserve** | | |
| Opening balance | 10,000 | 10,000 |
| Movement during the year | - | - |
| **Closing balance** | 10,000 | 10,000 |
| **ii) Retained Earnings** | | |
| Opening balance | (21,187,160) | (22,220,062) |
| Profit for the year | 1,618,798 | 1,032,902 |
| **Closing balance** | (19,568,362) | (21,187,160) |
| **iii) Equity instruments through other comprehensive income** | | |
| Opening balance | (4,523) | 191,725 |
| Movement during the year | 287,917 | (196,248) |
| **Closing balance** | (19,568,362) | (4,523) |
| **NOTE - 10** | | |
| **OTHER FINANCIAL LIABILITIES (Non Current)** | | |
| Others | 796,414 | 491,242 |
| **NOTE - 11** | | |
| **TRADE PAYABLES (Current)** | | |
| Dues to micro enterprises and small enterprises | - | - |
| Dues to creditors other than micro enterprises and small enterprises | 4,381,235 | 2,251,899 |
| | 4,381,235 | 2,251,899 |
| **NOTE - 12** | | |
| **OTHER CURRENT LIABILITIES** | | |
| i) Advances from customers | 197,167 | 706,466 |
| ii) Statutory liabilities | 423,848 | 104,556 |
| iii) Employee benefits payable | 2,279,385 | 2,240,110 |
| | 2,900,399 | 3,051,132 |
| **NOTE - 13** | | |
| **PROVISIONS** | | |
| Provision for Income Tax | - | 485,736 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 14** | | |
| **REVENUE FROM OPERATIONS** | | |
| Sale of Software Services (ITES) | | |
| - Exports | 20,748,725 | 14,988,692 |
| - Domestic | 27,417,131 | 26,662,112 |
| | 48,165,857 | 41,650,804 |
| **NOTE - 15** | | |
| **OTHER INCOME** | | |
| i) Interest Income: | | |
| - from others | 4,331,504 | 4,871,580 |
| - from Bank Deposits | 47,903 | 125,060 |
| ii) Other Non Operating Income | | |
| - Other Income (includes share of Profit of M.M. International) | 722,928 | 983,788 |
| | 5,102,335 | 5,980,427 |
| **NOTE - 16** | | |
| **EMPLOYEE BENEFITS EXPENSE** | | |
| Salaries, wages and bonus | 27,083,458 | 22,083,555 |
| Contribution to provident and other funds | 73,876 | 58,625 |
| Staff welfare expenses | 563,197 | 595,780 |
| | 27,720,530 | 22,737,960 |
| **NOTE - 17** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation of property, plant and equipment | 177,737 | 297,538 |
| Amortisation of intangible assets | - | - |
| | 177,737 | - |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 18** | | |
| **OTHER EXPENSES** | | |
| Rates & taxes | 16,756 | 20,877 |
| Power & Fuel | 359,398 | 723,719 |
| Maintenance Exp. | 258,519 | 258,519 |
| **Repairs & Maintenance** | | |
| - Others | 147,139 | 21,703 |
| Rates & taxes | 16,713 | 16,755 |
| Advertisement & Publicity | 21,601 | 40,522 |
| Business Promotion Exp. | 647,729 | 1,475,174 |
| Legal Expenses | 16,300 | 186,100 |
| Consultancy Charges | 676,307 | 1,374,557 |
| Cost to Investment Exp | 1,180 | 1,493 |
| **Communication Exp** | | |
| - Telephone Exp. | 166,790 | 120,628 |
| - Bandwidth Charges | 234,707 | 313,750 |
| Bank Charges & Commission | 12,857 | 7,555 |
| Customer Support | 846,297 | 1,979,500 |
| Software Development Exp | 8,160,711 | 6,293,798 |
| Travelling Exp | 325,021 | 1,203,787 |
| Paypal Charges | 63,986 | 87,326 |
| Referral Fee Paid | 165,000 | 1,433,000 |
| Renovation Expenses | 1,383,744 | 607,685 |
| Director Sitting Fees | 16,000 | 16,000 |
| Other Expenses | 957,867 | 810,118 |
| **Statutory Expenses** | | |
| - Postage for AGM | - | 249,280 |
| - Printing & Stationery AGM | - | 378,000 |
| - Share Transfer Fees | 60,000 | 60,305 |
| - Other Statutory Expenses | 533,500 | 524,335 |
| **Payment to Auditor** | | |
| **(a) To statutory auditors** | | |
| - Statutory audit fee | 15,000 | 15,000 |
| - Internal Audit Fee | 30,000 | 30,000 |
| - Tax audit fee | 5,000 | 5,000 |
| **(b) To others** | | |
| - Certification and taxation matters | - | - |
| | **15,121,365** | **18,233,608** |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

19. **Deferred taxes:**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences whereas, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax asset at the time of transaction affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax asset is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

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 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)

| **Particulars** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Net profit attributable to equity shareholders (₹) | 16,18,798 | 10,32,900 |
| 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. E**mployee Benefits Provisions:**

| **Defined Contribution Plan:** | 2020-21 (₹) | 2019-20 (₹) |
|---|---|---|
| Contribution to the above plan is recognized for the year as under: | | |
| Employer's Contribution to Provident Fund | 66,330/- | 36,669/- |
| Employer's contribution to Employee State Insurance | 7,546/- | 21,956/- |

**Defined Benefit Plan:**

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:

| **Period** | **1/4/2020 to 31/3/2021** | **1/4/2019 to 31/3/2020** |
|---|---|---|
| Present value of the obligation at the beginning of the period | 15,45,743 | 9,75,493 |
| Interest cost | 85,016 | 58,530 |
| Current service cost | 4,49,056 | 4,42,637 |
| Past Service Cost | 0 | 0 |
| Benefits paid (if any) | 0 | 0 |
| Actuarial (gain)/loss | (1,44,000) | 69,083 |
| Present value of the obligation at the end of the period | 19,35,815 | 15,45,743 |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Actuarial gain / losses from changes in Demographics assumptions (mortality ) | Not Applicable | Not Applicable |
| Actuarial gain / losses from changes in Financial assumtions | (24,426) | 1,95,135 |
| Experience Adjustment (gain)/ loss for Plan liabilities | (1,19,574) | (1,26,052) |
| Total amount recognized in other comprehensive Income | (1,44,000) | 69,083 |

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

| Period | As on 31/3/2021 | As on 31/3/2020 |
|---|---|---|
| Present value of the obligation at the end of the period | 19,35,815 | 15,45,743 |
| Fair value of plan assets at end of period | 0 | 0 |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 19,35,815 | 15,45,743 |
| Funded Status - Surplus/ (Deficit) | (19,35,815) | (15,45,743) |

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

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Interest cost | 85,016 | 58,530 |
| Current service cost | 4,49,056 | 4,42,637 |
| Past Service Cost | 0 | 0 |
| Expected return on plan asset | (0) | (0) |
| Expenses to be recognized in P&L | 5,34,072 | 5,01,167 |

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

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Cumulative unrecognized actuarial (gain)/loss opening. B/F | 5,576 | (63,507) |
| Actuarial (gain)/loss - obligation | (1,44,000) | 69,083 |
| Actuarial (gain)/loss - plan assets | 0 | 0 |
| Total Actuarial (gain)/loss | (1,44,000) | 69,083 |
| Cumulative Total Actuarial (gain)/loss c/f | (1,38,424) | 5,576 |

23.2 (c) Net Interest Cost

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Interest cost on defined benefit obligation | 85,016 | 58,530 |
| Interest income on plan assets | 0 | 0 |
| Net interest cost (Income) | 85,016 | 58,530 |

23.3 Experience adjustment:

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Experience Adjustment (Gain ) / loss for Plan liabilities | (1,19,574) | (1,26,052) |
| Experience Adjustment Gain / (loss ) for Plan assets | 0 | 0 |

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

| Period | As on 31/3/2021 | As on 31/3/2020 |
|---|---|---|
| Number of employees | 66 | |
| Total monthly salary | 24,31,210 | 22,84,005 |
| Average Past Service(Years) | 2.2 | 1.8 |
| Average Future Service (yr) | 26.3 | 26.3 |
| Average Age(Years) | 33.7 | 33.7 |
| Weighted average duration (based on discounted cash flows) in years | 25 | 25 |
| Average monthly salary | 36,837 | 36,839 |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

23.5 The assumptions employed for the calculations are tabulated:

| | | |
|---|---|---|
| Discount rate | 5.50 % per annum | 6.00 % per annum |
| Salary Growth Rate | 5.00 % per annum | 5.00 % per annum |
| Mortality | IALM 2012-14 | IALM 2012-14 |
| Withdrawal rate (Per Annum) | 31.00% p.a. | 25.00% 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 |

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

| **Period** | **As on 31/3/2021** | **As on 31/3/2020** |
|---|---|---|
| Current Liability (Short Term)* | 3,69,289 | 2,71,934 |
| Non Current Liability (Long Term) | 15,66,526 | 12,73,809 |
| Total Liability | 19,35,815 | 15,45,743 |

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 | 9,64,223 | 8,17,422 |

23.8 (c) Maturity profile of defined benefit obligation

| | | |
|---|---|---|
| Weighted average duration (based on discounted cash flows) in years | 25 | 25 |

23.8 (d) Estimate of expected benefit payments
(In absolute terms i.e. undiscounted)

| | |
|---|---|
| 01 Apr 2021 to 31 Mar 2022 | 3,69,289 |
| 01 Apr 2022 to 31 Mar 2023 | 1,03,092 |
| 01 Apr 2023 to 31 Mar 2024 | 1,12,648 |
| 01 Apr 2024 to 31 Mar 2025 | 1,10,612 |
| 01 Apr 2025 to 31 Mar 2026 | 1,00,261 |
| 01 Apr 2025 Onwards | 11,39,913 |

23.9 Projection for next period:

| | |
|---|---|
| Best estimate for contribution during next Period | 9,64,223 |

23.10 Sensitivity Analysis: ensitivity 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 31/3/2021** |
|---|---|
| Defined Benefit Obligation (Base) | 19,35,815 @ Salary Increase Rate : 5%, and discount rate :5.5% |
| Liability with x% increase in Discount Rate | 18,79,231; x=1.00% [Change (3)% ] |
| Liability with x% decrease in Discount Rate | 19,95,916; x=1.00% [Change 3% ] |
| Liability with x% increase in Salary Growth Rate | 19,95,707; x=1.00% [Change 3% ] |
| Liability with x% decrease in Salary Growth Rate | 18,78,445; x=1.00% [Change (3)% ] |
| Liability with x% increase in Withdrawal Rate | 19,14,740; x=1.00% [Change (1)% ] |
| Liability with x% decrease in Withdrawal Rate | 19,57,481; x=1.00% [Change 1% ] |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

23.11 Reconciliation of liability in balance sheet

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Opening gross defined benefit liability/ (asset) | 15,45,743 | 9,75,493 |
| Expenses to be recognized in P&L | 5,34,072 | 5,01,167 |
| OCI- Actuarial (gain)/ loss-Total current period | (1,44,000) | 69,083 |
| Benefits paid (if any) | 0 | 0 |
| Closing gross defined benefit liability/ (asset) | 19,35,815 | 15,45,743 |

24. **Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2021.

Name of the related parties and related party relationships

**i) Related Party where control exists**

Subsidiary

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

**ii) Key management personnel**

| Name Of The Person | Designation |
|---|---|
| Ajay Kumar Agarwal | Executive Director |
| Sagar Mal Gupta | Promoter 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 |
| Vikash Singh | Chief Financial Officer |
| Rupal Poddar | Company Secretary (upto 30.01.2021) |
| Pritika Gupta | Company Secretary (w.e.f. 26.02.2021) |

**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

| | | Year ended 31 March 2021 (₹) | Year ended 31 March 2020 (₹) |
|---|---|---|---|
| Remuneration | Mr.Vikash Singh | Rs. 2,64,000/- | Rs. 44,000/- |
| Remuneration | Mrs.Rupal Poddar | Rs. 1,08,000/- | Rs. 1,44,000/- |
| Remuneration | Pritika Gupta | Rs. 15,000/- | Nil |
| Director sitting fees | Mr.Sushil Kumar Gupta | Rs. 8000/- | Rs. 8000/- |
| Director sitting fees | Ms.Leela Murjani | Rs.8,000/- | Rs.8,000/- |
| Reimbursement Expenses | Mr. Mahesh Gupta | Rs. 3,05,000/- | Rs. 1,35,000/- |

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

| Particulars | As at 31st March 2021 (₹) | As at 31st March 2020 (₹) |
|---|---|---|
| **Loan to wholly owned subsidiary :** | | |
| Lensel Web Services Pvt. Ltd. | 71,282,764/- | 68,966,814/- |
| Rituraj Shares Broking Pvt. Ltd. | 30,906,500/- | 29,324,000/- |
| **Trade Receivables :** | | |
| Leena Consultancy | 46,83,212/- | 46,83,212/- |
| Rituraj Shares & Securities | 34,62,886/- | 34,62,886/- |

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

25. **Fair value measurement:**

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

| Particulars | As at 31st March 2021 (₹) | As at 31st March 2020 (₹) |
|---|---|---|
| **a. Financial assets** | | |
| **i. Designated at fair value through other comprehensive income (FVTOCI)** | | |
| Investments in Quoted Equity Instruments (refer note (i) below) | 1,29,273/- | 95,175/- |
| Investment in Quoted Mutual Fund | 3,302,315/- | 16,27,440/- |
| **ii. Carried at cost** | | |
| Trade Receivable | 11,630,596/- | 10,425,192/- |
| Loans | 156,828,714/- | 1,515,78,233/- |
| Others | 104,966/- | 14,24,178/- |
| Cash and Cash Equivalents | 4,351,014/- | 24,32,840/- |
| **iii. Measured at Cost** | | |
| Investments in Unquoted Equity Instruments | 10,835/- | 10,835/- |
| Investment in Equity Shares of - | | |
| Subsidiary Company | 33,252,551/- | 33,252,551/- |
| Investment in Partnership Firm | 33,260,798/- | 33,431,801/- |
| **Total Financial Assets** | **242,871,062/-** | **2,34,278,245/-** |
| **b. Financial Liabilities** | | |
| **Measured at Amorized Cost** | | |
| Trade Payables | 4,381,235/- | 22,51,899/- |
| Other Financial Liabilities | 7,96,414/- | 4,91,242/- |
| **Total Financial Liabilities** | **5,177,649/-** | **27,43,141/-** |

Notes:

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

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

**B. Fair value hierarchy**

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

The Categories used are as follows:

- Level 1: Quoted prices (Unadjusted) in active markets for financial instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| As at 31st March, 2021 | | | |
| **Designated at fair value through other comprehensive income (FVTOCI)** | | | |
| Investments in Quoted Equity Instruments | 129,773/- | - | - |
| Investments in Quoted Mutual Fund | 3,302,315/- | - | - |
| As at 31st March, 2020 | | | |
| **Designated at fair value through other comprehensive income (FVTOCI)** | | | |
| Investments in Quoted Equity Instruments | 95,175/- | - | - |
| Investments in Quoted Mutual Fund | 1,627,440/- | - | - |

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**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 its Board of Directors.

**a. Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**i) Trade receivables**

Customer credit risks are 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 is 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.

**iii) Investments**

The Company limits its exposure to credit risk by generally investing in liquid securities. The Company does not have any significant concentration of exposures to specific industry sectors.

**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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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 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 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 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.

The working capital position of the Company is given below:

| Particulars | As at 31st March 2021 (₹) | As at 31st March 2020 (₹) |
|---|---|---|
| Cash and cash equivalents | 4,351,014/- | 24,32,840/- |
| Trade receivables | 3,477,305/- | 22,31,898/- |
| Other financial assets | 30,916,500/- | 2,93,84,000/- |
| Other current assets | 3,243,374/- | 3,938,440/- |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

| Particulars | As at 31st March 2021 (₹) | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Trade payables | 43,76,750/- | 4,485/- | - | 43,81,235/- |
| Other financial liabilities | - | 5,59,340/- | 2,37,074/- | 7,96,414/- |

| Particulars | As at 31st March 2020 (₹) | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Trade payables | 16,58,712/- | 5,93,187/- | - | 22,51,899/- |
| Other financial liabilities | - | 4,90,124/- | 1,118/- | 4,91,242/- |

**d. Capital Management:**

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

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 maximize the shareholder value.

**27.** The Company has made an assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, investments, inventories, receivables and other current / non-current assets as of 31 March, 2021 and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. The Company is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Given the criticalities associated with nature, condition and

duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

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

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 : 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**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 **M/s LEE & NEE SOFTWARES (EXPORTS) LTD** (hereinafter referred to as '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 March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

We have audited the accompanying Consolidated Financial Statements of **M/s LEE & NEE SOFTWARES (EXPORTS) LTD** (hereinafter referred to as '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 March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended,and notes to the consolidated financial statements, including 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 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 Consolidated financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the year ended March 31, 2021. 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.

**Other Information**

The Holding Company's management and Board of Directors are 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 there on.

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 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.

**Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted

in India, including the Indian Accounting Standards (Ind AS)specified under Section 133 of the Act. The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance provision of the act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Director 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 entities included in the Group are responsible for overseeing the financial reporting process of each entity.

**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 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 whether the Holding Company has adequate internal financial controls with reference to Consolidated financial statements and the operating effectiveness of such controls based on our audit.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of directors of the Holding company.

• Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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 the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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 of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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. We have nothing to report in this regard.

**Report on Other Legal and Regulatory Requirements**

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 Statement of Cash Flow Statement and 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 the Indian Accounting Standards prescribed under section 133of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors of the Holding company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2021 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 with reference to consolidated financial statements of the Holding and its Subsidiary Companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

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

ii. The Group did not have any material foreseeable losses long-term contracts including derivative contracts during the year ended 31st March 2021.

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

iv. The disclosures in the Consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN : 21060015AAAACX3590

Place: Kolkata
Date: 29th June, 2021

## 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 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LEE & NEE SOFTWARES (EXPORTS) LTD.)

**Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

### OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Lee & Nee Softwares (Exports) Ltd. (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries (incorporated in India) together referred to as "the Group") as of that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such 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(the "Guidance Note").

### MANAGEMENT'S RESPONSIBILTY FOR INTERNAL FINANCIAL CONTROLS

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILTY

Our responsibility is to express an opinion on the Group's internal financial controls with reference to consolidated financial statements based on our Audit. We conducted our Audit in accordance with the Guidance Note 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 with reference to consolidated financial statements. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of Internal Financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated 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 Group's internal financial controls with reference to consolidated financial statements.

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDTED FINANCIAL STATEMENTS**

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDTED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Sonu Jain**
Partner
Membership No.:060015
UDIN : 21060015AAAACX3590

Place: Kolkata
Date: 29th June, 2021

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

| | | NOTES | AS AT 31.03.2021 Amount (₹) | AS AT 31.03.2020 Amount (₹) |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **Non-Current Assets** | | | |
| | (a) Property, Plant and Equipment | 3 | 1,113,248 | 838,418 |
| | (b) Goodwill | 3 | 243,934,701 | 243,934,701 |
| | (c) Intangible Assets | 3 | 73,700 | 73,700 |
| | (d) Financial Assets | | | |
| | i) Investments | 4.1 | 43,352,653 | 40,325,982 |
| | ii) Trade Receivables | 4.2 | 29,575,490 | 29,615,493 |
| | iii) Loans | 4.3 | 69,721,521 | 67,310,987 |
| | iv) Others Financial Assets | 4.4 | 1,104,966 | 2,424,178 |
| | (e) Other Non-Current Assets | 5 | 88,859,912 | 95,880,288 |
| | | | 477,736,190 | 480,453,748 |
| | **Current Assets** | | | |
| | (a) Financial Assets | | | |
| | i) Investments | 6.1 | 9,321,453 | 6,481,936 |
| | ii) Trade Receivables | 6.2 | 3,554,264 | 2,329,580 |
| | iii) Cash and Cash Equivalents | 6.3 | 6,514,946 | 3,661,979 |
| | iv) Loans | 6.4 | 58,342,950 | 56,805,469 |
| | (b) Other Current Assets | 7 | 4,285,776 | 5,046,752 |
| | | | 82,019,388 | 74,325,716 |
| | **TOTAL ASSETS** | | **559,755,578** | **554,779,464** |
| II | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share Capital | 8 | 557,740,000 | 557,740,000 |
| | (b) Other Equity | 9 | (7,049,513) | (14,470,436) |
| | | | 550,690,487 | 543,269,564 |
| | **Liabilities** | | | |
| | **Non-Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | Other Financial Liabilites | 10 | 796,414 | 491,242 |
| | (b) Other Non current Liabilities | 11 | 16,160 | 136,618 |
| | (c) Deferred tax liabilities (net) | 12 | 16,272 | - |
| | | | **828,846** | **627,860** |
| | **Current Liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | i) Borrowings | 13.1 | 449,000 | 3,086,000 |
| | ii) Trade Payables | 13.2 | 4,546,101 | 3,758,265 |
| | (b) Other Current Liabilities | 14 | 3,241,144 | 3,418,654 |
| | (c) Provisions | 15 | - | 619,122 |
| | | | 8,236,245 | 10,882,041 |
| | **TOTAL EQUITY AND LIABILITIES** | | **559,755,578** | **554,779,464** |
| | Summary of Significant Accounting Policies | 2 | | |

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

In terms of our report attached

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

**Sonu Jain**
Partner (Membership No.: 060015)
Kolkata, 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

| | | NOTE NO. | Year ended 31.03.2021 Amount (₹) | Year ended 01.04.2020 Amount (₹) |
|---|---|---|---|---|
| I | Revenue From Operations | 16 | 53,479,200 | 47,491,080 |
| II | Other Income | 17 | 11,344,678 | `12,278,326 |
| **III** | **Total Income (I + II)** | | **64,823,878** | 59,769,406 |
| **IV** | **EXPENSES** | | | |
| | (a) Purchase (Software & Service) | | 9,524,970 | 5,860,319 |
| | (b) Employee benefit expense | 18 | 32,020,571 | 27,963,631 |
| | (c) Depreciation and amortization expense | 19 | 209,913 | 338,246 |
| | (d) Other expenses | 20 | 18,807,725 | 24,505,234 |
| | **Total Expenses** | | **60,563,179** | **58,667,429** |
| **V** | **Profit before tax (III - IV)** | | **4,260,699** | **1,101,977** |
| **VI** | **Tax expense** | | | |
| | (a) Current tax (Including tax reversed of earlier year Rs 252757/-) | | 137,483 | 385,522 |
| | (b) Deferred tax | | 16,272 | - |
| **VII** | **Profit for the period (V - VI)** | | **4,106,944** | **716,455** |
| **VIII** | **Other comprehensive income** | | | |
| | Items that will not be reclassified to statement of profit and loss | | | |
| | (a) Changes in Fair Value of Equity Instruments through Other Comprehensive Income | | 3,313,979 | (4,802,081) |
| | (b) Income tax relating to item (a) above | | - | - |
| | **Other comprehensive income (net of Tax)** | | **3,313,979** | **(4,802,081)** |
| **IX** | **Total comprehensive income for the year (VII + VIII)** | | **7,420,923** | **(4,085,626)** |
| **X** | **Earning per equity share** | | | |
| | (a) Basic | | 0.01 | 0.01 |
| | (b) Diluted | | 0.01 | 0.01 |

Summary of significant accounting policies 2

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

In terms of our report attached

For 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, 29th June, 2021

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

| Sl No. | PARTICULARS | Year ended 31.03.2021 Amount (₹) | Year ended 31.03.2021 Amount (₹) | Year ended 31.03.2020 Amount (₹) | Year ended 31.03.2020 Amount (₹) |
|---|---|---|---|---|---|
| **I.** | **CASH FLOWS** | | | | |
| 1 | From Operating Activities | | | | |
| | (a) Net Profit / (Loss) before tax from Operating Activities | | 4,260,699 | | 1,101,977 |
| | Adjustments: | | | | |
| | Depreciation and amortisation | 209,913 | | 338,246 | |
| | Interest Income | (10,480,884) | | (11,289,598) | |
| | Other Income | (842,587) | (11,113,558) | (983,788) | (11,935,141) |
| | Operating Profit/ (Loss) before working capital changes | | (6,852,859) | | (10,833,164) |
| | (b) Working Capital changes: | | | | |
| | Decrease/ ( Increase) in trade receivables | (1,184,681) | | 1,340,373 | |
| | Decrease/ (Increase) in other current assets | 760,976 | | (1,347,736) | |
| | Increase/ ( Decrease) in Trade Payables | 787,836 | | (1,085,049) | |
| | Increase/ ( Decrease) in Borrowings | (2,637,000) | | 1,596,000 | |
| | Increase/ ( Decrease) in other current liabilities | (177,510) | | 2,221,723 | |
| | Increase/ ( Decrease) in provisions | (619,122) | (3,069,500) | (189,049) | 2,536,261 |
| | Cash generated from Operating Activities | | (9,922,359) | | (8,296,903) |
| | Income Taxes Paid | | (137,483) | | (385,522) |
| | Taxes relating to earlier year | | - | | - |
| | **Net Cash from Operating Activiites Total of (1)** | | **(10,059,842)** | | **(8,682,425)** |
| 2 | From Investing Activities | | | | |
| | Purchase of Fixed Aseets | (484,742) | | (285,905) | |
| | Purchase/Sale of Investment | (2,552,207) | | (89,575) | |
| | Decrease/(Increase) in loans | (1,537,481) | | (1,474,857) | |
| | Decrease/(Increase) in non current loans | (2,360,534) | | (5,630,554) | |
| | Decrease/(Increase) in other Financial Assets | 1,319,212 | | (884,475) | |
| | Decrease/(Increase) in other non current Assets | 7,020,376 | | 2,674,736 | |
| | Decrease/(Increase) in other Financial Liabilities | 305,173 | | (1,069,998) | |
| | Decrease/(Increase) in other non current Liabilities | (120,458) | | 105,801 | |
| | Interest received | 10,480,884 | | 11,289,598 | |
| | Other income | 842,587 | | 983,788 | |
| | **Net Cash from Investing Activiites Total of (2)** | | **12,912,810** | | **5,618,560** |
| 3 | From Financing Activities | | | | |
| | Decrease/(Increase) in other Equity | | - | | (19,453) |
| | **Total of (3)** | | **-** | | **(19,453)** |
| **II.** | **Net (decrease)/increase in Cash and Bank Balances (I-II) Total Cash flows (1+2+3)** | | 2,852,968 | | (3,083,319) |
| | Add: Cash and Bank Balances at the beginning of the period | | 3,661,979 | | 6,745,297 |
| **III.** | **Cash and Bank Balances at the end of the period (Refer Note 6.3)** | | **6,514,946** | | **3,661,979** |

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, 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

### A. EQUITY SHARE CAPITAL

| PARTICULARS | AMOUNT (₹) |
|---|---|
| **As at 31 March 2020** | **55,774,000** |
| Changes in equity share capital | - |
| **As at 31 March 2021** | **55,774,000** |

### B. OTHER EQUITY

| PARTICULARS | RESERVES AND SURPLUS | | ITEMS OF OTHER COMPREHENSIVE INCOME | TOTAL |
|---|---|---|---|---|
| | Capital Reserve (₹) | Retained Earnings (₹) | Equity Instruments through Other Comprehensive Income (₹) | (₹) |
| **Balance as at 31 March 2020** | **13,582,487** | **(20,858,426)** | **(7,194,497)** | **(14,470,436)** |
| Profit for the year | - | 4,106,944 | 3,313,979 | **7,420,923** |
| **Balance as at 31 March 2021** | **13,582,487** | **(16,751,482)** | **(3,880,518)** | **(7,049,513)** |

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 : 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Poddar**
Company Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

**NOTE - 1**

**Corporate & general information**

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 2021.

The Holding Company is primarily engaged in Information Technology and related services. The Company 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.

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

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

| Name of the Subsidiary Companies | Country of Incorporation | Financial year ended | Holding Company's Interest |
|---|---|---|---|
| Rituraj Shares Broking Pvt. Ltd | India | 31.03.2021 | 100.00% |
| Lensel Web Services Pvt. Ltd. | India | 31.03.2021 | 100.00% |

Lensel Web Services Pvt Ltd. is the material subsidiary of the Company.

These financial statements of the Company for the year 31st March 2021 were approved and authorized for issue by the Holding Company's Board of Directors in their meeting held on 29th June, 2021.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**NOTE - 2**

**Significant accounting policies**

a. ***Statement of Compliances**:* These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendments rules issued thereafter.

b. ***Basis of Preparation of Financial Statements:*** The Group has consistently applied the accounting policies except where a newly issued accounting standards is initially adopted or a revision to an existing standards require change in the accounting policy hitherto in use. The financial statements has been prepared considering all IND AS as notified and made applicable by Ministry of Corporate Affairs for reporting date i.e. 31 March 2021

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

c. ***Basis of measurement:*** The consolidated financial statements have been prepared on a historical cost basis, except for the certain financial assets (investments) & financial liabilities, if any which are measured at fair value. Fair Value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

d. ***Basis of Consolidation***

   The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group 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 Group 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 Group 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 Group 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, 2021. 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 recognized 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.

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.* ***Use of Estimates and Judgments*:** Preparation of consolidated financial statements requires the use of judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation of such estimates and judgments are done based on historical experience and other factors, including future expectations that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively and in the period in which the estimates are revised and future periods are affected. Differences between actual results and estimates are recognized 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.

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

*Useful lives of 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. This reassessment may result in change in depreciation expense in future periods.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 company 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.

*ImpairmentTesting:*

Investments in subsidiaries, goodwill and intangible assets are tested for impairment annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows,risk-adjusted discount rate, future economic and market conditions. Refer note 2 (h) and (i) for details.

*Estimation of provisions and contingencies:*

The Group company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

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

Contingent assets are neither recognised nor disclosed in the financial statements. Refer note 2 (m), 15 for details.

*Recognition of deferred tax assets:*

Refer note 2 (t) for details.

*Current & Non-current classification:*

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.

*Fair value measurements*:

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes considerations of inputs such as volatility risk, credit risk etc. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

*f.* ***Revenue/Expenses Recognition:***

The Group derives revenue primarily from Information Technology Services and Solutions. The Group recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered.

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:*

Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the milestone wise project.

If the Group does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for the completed milestone of the contract.

*Sale of software products and licenses:*

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.

Revenue from sale of licenses, where no customization is required, is recognized upon delivery of these licenses which constitute transfer of all risks & rewards.

*Maintenance Contracts:*

Revenue from maintenance contracts is recognised on a pro-rata basis over the period in which such services are rendered.

Advance payments received from customers for whom no services have been rendered are presented as "Advance from customers".

Revenues are reported net of GST and applicable discounts and allowances.

*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.

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

Recognition and Initial measurement:

Property, plant and equipment are 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 is fully depreciated in the year of acquisition. Residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Balance Sheet date and any change in them is adjusted prospectively.

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

De-recognition:

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

*h.* ***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 Group for its use.

Intangible assets with indefinite useful lives (like goodwill, brands), if any are not amortized, but are tested for impairment annually, either

individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. The change in useful life from indefinite to finite life if any, is made on prospective basis.

*i.* ***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 consolidated statement of profit and loss. Recoverable amount is higher of an asset's/cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset/cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset/cash generating unit in any prior accounting periods may no longer exist or may have decreased, based on which a reversal of an earlier recorded impairment loss is recognized in the consolidated statement of profit and loss.

*j.* ***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 current investments are classified as non-current investments. Investments are valued in accordance with the applicable Ind AS.

*k.* ***Financial instruments***

i) *Initial recognition*

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of theinstrument. 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 (FVTOCI)*

For assets, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the Group has exercised the option to classify the equity investment as at fair value through other comprehensive income, all fair value changes on the investment are recognised in other comprehensive income Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive Income (OCI).

*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. Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit &Loss.

*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..

*l.* ***Foreign currency transactions***

**Functional currency and presentation currency:**

The consolidated financial statements are presented in Indian Rupees (i.e., INR), which is also the Group's functional currency .All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

**Transactions and balances:**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated in the functional currency at the exchange rate of the reporting date.

*m.* ***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 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. Contingent assets are assessed continually and are disclosed in the financial statements in the period in which it is virtually certain that an inflow of economic benefit will arise.

*n.* ***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 underrelevant Notes.

**Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentives.

*o.* ***Borrowings:***

The Group has not borrowed any sums from any financial institutions, except from Directors. Refer note 12.1 for details.

*p.* **Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Group are segregated.

*q.* ***Inventories:***

Group does not have any inventory. As such provisions of Ind AS 2 are not applicable.

*r.* ***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.

*s.* ***Leases:***

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 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.

*t.* ***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 between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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.

*u.* ***Segment reporting:***

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.

*v.* ***Earnings per Share:***

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, net profit or loss 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 date, the Group has no dilutive potential equity shares.

*w.* **Standards issued but yet not effective**

Ministry of Corporate Affairs (MCA) notified new standard and amendments to the existing standards. There are no standards that are issued but not yet effective, on March 31 2021.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

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

Amount (₹)

| GROSS CARRYING AMOUNT | PROPERTY, PLANT AND EQUIPMENT | | | GOODWILL | INTANGIBLE ASSETS |
|---|---|---|---|---|---|
| | Buildings (Leasehold Premises) | Plant & Equipment | Furniture & Fixtures | | (Computer Software) |
| **Cost or valuation** | | | | | |
| **At 31 March 2020** | **6,693,301** | **6,640,262** | **663,832** | **243,934,701** | **1,478,612** |
| Add : Additions | - | 484,742 | - | - | - |
| Less : Disposals / Write off | - | - | - | - | - |
| Less : Capitalised during the year | - | - | - | - | - |
| Less : Classified as held for sale | - | - | - | - | - |
| **At 31 March 2021** | **6,693,301** | **7,125,004** | **663,832** | **243,934,701** | **1,478,612** |
| **Accumulated Depreciation / Amortization / Impairment** | | | | | |
| **At 31 March 2020** | **6,462,722** | **6,062,519** | **633,735** | **-** | **1,404,912** |
| Depreciation charge for the year | 11,625 | 198,074 | 214 | - | - |
| Disposals | - | - | - | - | - |
| Impairment charge for the year | - | - | - | - | - |
| **At 31 March 2021** | **6,474,347** | **6,260,593** | **633,949** | **-** | **1,404,912** |
| **Net Book Value** | | | | | |
| At 31 March 2021 | 218,954 | 864,411 | 29,883 | 243,934,701 | 73,700 |
| At 31 March 2020 | 230,578 | 577,742 | 30,098 | 243,934,701 | 73,700 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### NOTE - 4.1 INVESTMENTS

| Particulars | Face Value (₹) | Numbers 31.03.2021 | Numbers 31.03.2020 | Amount (₹) 31.03.2021 | Amount (₹) 31.03.2020 |
|---|---|---|---|---|---|
| **Quoted, fully paid up:** | | | | | |
| Investments in Equity Instruments | | | | | |
| *Carried at Fair Value through OCI* | | | | | |
| - Hindustan Construction Ltd. | 1 | 100 | 100 | 807 | 399 |
| - Mahindra Lifespace Developers Ltd. | 10 | 2 | 2 | 1,108 | 382 |
| - Hindustan Motor Ltd. | 5 | 100 | 100 | 642 | 304 |
| - PCS Technologies Ltd. | 10 | 50 | 50 | 248 | 120 |
| - Century Extrusions Ltd. | 1 | 200 | 200 | 850 | 340 |
| - ICICI Bank Ltd. | 2 | 181 | 181 | 105,206 | 58,735 |
| - Bharat Forge | 2 | - | 100 | - | 23,410 |
| - NTC Industries Ltd. | 10 | 100 | 100 | 5,595 | 2,100 |
| **Sub total of quoted investments in equity (A)** | | **733** | **833** | **114,456** | **85,789** |
| Investments in Debentures | | | | | |
| *Carried at Fair Value through OCI* | | | | | |
| - Finolex Pipe Ltd. | 2 | 25 | 25 | 15,925 | 9,768 |
| **Sub total of quoted investments in debentures (B)** | | | | **15,925** | **9,768** |
| **Aggregate amount of quoted investments (A+B)** | | | | **130,381** | **95,557** |
| **Unquoted, fully paid up:** | | | | | |
| Investments in Equity Instruments | | | | | |
| *Measured at Cost* | | | | | |
| - 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 (Unquoted Fully Paid Up) | | | | | |
| - Rituraj Shares & Securities Ltd. | 10 | 26905 | 26905 | 2,503,000 | 2,603,000 |
| - Haresh Collections Pvt Ltd | 10 | 11450 | 7250 | 4,415,326 | 2,657,350 |
| **Aggregate amount of unquoted investments** | | | | **6,659,160** | **5,171,185** |
| **Quoted , fully paid up:** | | | | | |
| Investments in Mutual Fund | | | | | |
| *Carried at Fair Value Through OCI* | | | | | |
| - HDFC Liquid Fund_Regular Plan_Growth | | 181,923 | 46,492 | 2,155,102 | 520,962 |
| - Kotak Low Duration Fund Standard Plan Growth | | 38 | - | 100,313 | - |
| - Edelweiss Balance Advantage Fund | | 33,245 | - | 1,046,900 | - |
| - ICICI Prudential balanced Advantage Fund | | - | 32,166 | - | 983,308 |
| - UTI Floating Rate Fund | | - | 40 | - | 123,171 |
| **Aggregate amount of investment in Mutual Fund** | | **215,206** | **78,697** | **3,302,315** | **1,627,440** |
| **Investments in Partnership Firm:** | | | | | |
| - M. M. International | | | | 33,260,798 | 33,431,801 |
| *Other Partner : Mahesh Gupta, Share of Profit 50% (Total Capital : ₹ 1590619.02)* | | | | | |
| **Aggregate amount of investment in Partnership Firm** | | | | **33,260,798** | **33,431,801** |
| **TOTAL** | | | | **43,352,653** | **40,325,982** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 4.2** | | |
| **TRADE RECEIVABLES (Non Current)** | | |
| Unsecured, Considered Good | 29,575,490 | 29,615,493 |
| **NOTE - 4.3** | | |
| **LOANS (Non Current)** | | |
| Unsecured, Considered Good | | |
| i) Security Deposit | 321,195 | 318,695 |
| ii) Other Loans (Interest accrued thereon) | 69,400,326 | 67,042,292 |
| | 69,721,521 | 67,360,987 |
| **NOTE - 4.4** | | |
| **OTHER FINANCIAL ASSETS (Non Current)** | | |
| Deposits with more than 12 months maturity | 1,104,966 | 2,424,178 |
| **NOTE - 5** | | |
| **OTHER NON CURRENT ASSETS** | | |
| Unsecured, Considered Good | | |
| i) Deposits with Govt. and others | 40,826 | 40,826 |
| ii) Capital Advances | 77,366,500 | 81,866,500 |
| iii) Other Advances (Trade Advances) | 11,452,586 | 13,972,962 |
| | 88,859,912 | 95,880,288 |

**NOTE - 6.1**

**INVESTMENTS (Current)**

| Particulars | Face Value (₹) | Numbers 31.03.2021 | Numbers 31.03.2020 | Amount (₹) 31.03.2021 | Amount (₹) 31.03.2020 |
|---|---|---|---|---|---|
| **Quoted, fully paid up:** | | | | | |
| Investments in Equity Instruments | | | | | |
| *Carried at Fair Value through OCI* | | | | | |
| Reliance Right Issue | - | | - | 10369 | - |
| Ashok Leyland | 1 | - | 1,000 | - | 42,350 |
| BRPL | 10 | 3000 | - | 175,500 | - |
| Ramkrishna Forgings Limited | 10 | 227 | 227 | 118,676 | 33,937 |
| Emkay Global Financial Services Ltd. | 10 | 3,000 | 3,000 | 195,300 | 73,500 |
| Greencrest Financial Services Ltd | 1 | 5,000 | 5,000 | 4,000 | 2,450 |
| GVK Power & Infrastructure Ltd | 1 | 5,499 | 5,499 | 11,108 | 12,208 |
| Indiabulls Real Estate Limited | 2 | 3,250 | 3,250 | 264,063 | 132,600 |
| Kaya Ltd | 10 | 500 | 500 | 148,150 | 55,700 |
| Kesar Terminals & Infrastructure Ltd | 5 | 2,000 | 2,000 | 67,500 | 35,900 |

Contd.....

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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

**INVESTMENTS (Current)**

| Particulars | Face Value (₹) | Numbers 31.03.2021 | Numbers 31.03.2020 | Amount (₹) 31.03.2021 | Amount (₹) 31.03.2020 |
|---|---|---|---|---|---|
| Sri Adhikari Brothers Television Network Limited | - | 1,000 | 1,000 | 2,420 | 1,000 |
| Selan Exploration Technology Ltd | 10 | 1,275 | 1,275 | 170,786 | 86,318 |
| Sumeet Industries Ltd | 10 | 12,500 | 12,500 | 61,875 | 15,875 |
| Viceroy Hotels Ltd | 10 | 2,000 | 2,000 | 4,220 | 1,720 |
| Welspun Enterprises Ltd | 10 | 1,000 | 1,000 | 109,200 | 40,900 |
| Zee Media Corporation Ltd | 1 | 3,000 | 3,000 | 19,140 | 10,890 |
| **Aggregate amount of Quoted investments** | | **43,251** | **41,251** | **1,362,307** | **545,347** |
| **Quoted, fully paid up:** | | | | | |
| Investments in Mutual Fund | | | | | |
| *Carried at Fair Value Through OCI* | | | | | |
| Kotak Low Duration Fund | | - | 17 | - | 66,272 |
| ICICI Pru Fund Growth | | 851 | 851 | 37,818 | 26,015 |
| HDFC Prudent Fund - Dividend | | 300,791 | 308,163 | 7,921,327 | 5,844,303 |
| **Aggregate amount of investment in Mutual Fund** | | **301,642** | **309,030** | **7,959,145** | **5,936,589** |
| **TOTAL** | | | | **9,321,453** | **6,481,936** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 6.2** | | |
| **TRADE RECEIVABLES (Current)** | | |
| Unsecured, Considered Good | 3,554,264 | 2,329,580 |
| **NOTE - 6.3** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| i) Balance with Banks: | | |
| - In Current Account | 2,831,967 | 2,111,741 |
| ii) Balance with Financial Institution in deposit account | 1,863,122 | - |
| iii) Cash on Hand | 1,819,857 | 1,550,238 |
| | 6,514,946 | 3,661,979 |
| **NOTE - 6.4** | | |
| **LOANS (Current)** | | |
| Unsecured, Considered Good | | |
| Security Deposit | 10,000 | 10,000 |
| Other Loans ( Interest Accrued There On) | 58,332,950 | 56,795,469 |
| | 58,342,950 | 56,855,469 |
| **NOTE - 7** | | |
| **OTHER CURRENT ASSETS** | | |
| Unsecured, Considered Good | | |
| i) Deposits with Govt. and others | 16,051 | 40,831 |
| ii) Advance Tax (net of provisions) | 3,356,439 | 4,065,820 |
| iii) Minimum Alternate Tax Credit entitlement | 802,595 | 775,783 |
| iv) Employee Advances | 25,000 | 50,000 |
| v) Other Advances (Trade Advances) | 85,691 | 114,317 |
| | 4,285,776 | 5,046,752 |
| **NOTE - 8** | | |
| **EQUITY SHARE CAPITAL** | | |
| **Authorised** | | |
| 60,000,000 Equity Shares of Rs.10 each | 600,000,000 | 600,000,000 |
| (Previous years : 60,000,000 Equity Shares) | | |
| **Issued, Subscribed and Fully Paid** | | |
| 55,774,000 Equity Shares of Rs.10 each | 557,740,000 | 557,740,000 |
| (Previous years : 55,774,000 Equity Shares) | | |

**A) Movement in Equity Share Capital:**

| Particulars | No. of shares | Amount (₹) |
|---|---|---|
| Balance at March 31, 2020 | 55,774,000 | 557,740,000 |
| Movement during the year | - | - |
| Balance at March 31, 2021 | 55,774,000 | 557,740,000 |

Contd.....

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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

| Name of the Shareholder | As at March 31, 2021 No. of shares held | As at March 31, 2021 % of holding | As at March 31, 2020 No. of shares held | As at March 31, 2020 % of holding |
|---|---|---|---|---|
| Sunita Gupta | 8,573,533 | 15 | 8,573,533 | 15 |
| Neena Gupta | 4,801,772 | 9 | 4,801,772 | 9 |
| Rajkumari Agarwal | 5,229,418 | 9 | 5,229,418 | 9 |
| Rituraj Shares & Securities Ltd. | 7,353,581 | 13 | 7,353,581 | 13 |
| Haresh Collections Pvt Ltd. | 10,269,410 | 18 | 10,269,410 | 18 |

**C) Terms / Rights attached to Equity Shares:**

a) The Company has only one class of Equity Shares having par value of Rs 10 each. Each share holder is eligible for one vote per share held.

b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

| PARTICULARS | | 31.03.2021 Amount (₹) | 31.03.2020 Amount (₹) |
|---|---|---|---|
| **NOTE - 9** | | | |
| **OTHER EQUITY** | | | |
| i) | Capital Reserve | 13,582,487 | 13,582,487 |
| ii) | Retained Earnings | (16,751,482) | (20,858,426) |
| iii) | Equity instruments through other comprehensive income | (3,880,518) | (7,194,497) |
| | | (7,049,513) | (14,470,436) |
| **i)** | **Capital Reserve** | | |
| | Opening balance | 13,582,487 | 13,582,487 |
| | Movement during the year | - | - |
| | **Closing balance** | 13,582,487 | 13,582,487 |
| **ii)** | **Retained Earnings** | | |
| | Opening balance | (20,858,426) | (21,555,428) |
| | Profit for the year | 4,106,944 | 716,455 |
| | Items of other comprehensive Income recognised directly in retained earnings | - | (19,453) |
| | **Closing balance** | (16,751,482) | (20,858,426) |
| **iii)** | **Equity instruments through other comprehensive income** | | |
| | Opening balance | (7,194,497) | (2,392,416) |
| | Movement during the year | 3,313,979 | (4,802,081) |
| | **Closing balance** | (3,880,518) | (7,194,497) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 10** | | |
| **OTHER FINANCIAL LIABILITIES (Non Current)** | | |
| Others | 796,414 | 491,242 |
| **NOTE - 11** | | |
| **OTHER NON CURRENT LIABILITIES** | | |
| Advances from Customers | 16,160 | 136,618 |
| **NOTE - 12** | | |
| **DEFERRED TAX LIABILITIES (NET)** | | |
| Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account | 16,272 | - |
| **NOTE - 13.1** | | |
| **BORROWINGS** | | |
| Unsecured Loans | | |
| Loans from related parties | 449,000 | 3,086,000 |

* Loan from related party represents loan taken from Directors Leela Murjani and Mahesh Gupta

| | | |
|---|---|---|
| **NOTE - 13.2** | | |
| **TRADE PAYABLES (Current)** | | |
| Dues to micro enterprises and small enterprises | - | - |
| Dues to creditors other than micro & small enterprises | 4,546,101 | 3,758,265 |
| | 4,546,101 | 3,758,265 |
| **NOTE - 14** | | |
| **OTHER CURRENT LIABILITIES** | | |
| i) Advances from customers | 221,295 | 814,897 |
| ii) Statutory Liabilities | 447,084 | 97,018 |
| iii) Employee benefits payable | 2,572,765 | 2,506,739 |
| | 3,241,144 | 3,418,654 |
| **NOTE - 15** | | |
| **PROVISIONS (Current)** | | |
| Provision for Income Tax | - | 619,122 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NO TE - 16** | | |
| **REVENUE FROM OPERATIONS** | | |
| Sale of Software Services (ITES) | | |
| - Exports | 20,748,725 | 14,988,692 |
| - Domestic | 31,638,260 | 31,283,594 |
| - Brokerage Income | 13,688 | 30,156 |
| - MTM Profit | 213,693 | - |
| - Commission on Mutual Fund | 3,444 | 10,187 |
| - Short term Capital Gain | 5,378 | - |
| - Speculation Profit | 2,062 | - |
| - Dividend Income | 853,949 | 1,178,452 |
| | 53,479,200 | 47,491,080 |
| **NOTE - 17** | | |
| **OTHER INCOME** | | |
| i) Interest Income: | | |
| - from others | 10,377,010 | 11,131,991 |
| - from Bank Deposits | 103,874 | 157,608 |
| - Interest on TDS Refund | 21,207 | 4,940 |
| iI) Other Non Operating Income: | | |
| - Other Income (includes share of Profit of M.M. International) | 842,587 | 983,788 |
| - Provision for dimunition in value of current invetsments | - | - |
| | 11,344,678 | 12,278,326 |
| **NOTE - 18** | | |
| **EMPLOYEE BENEFITS EXPENSE** | | |
| Salary, wages & bonus | 30,875,919 | 26,990,616 |
| Contribution to Provident Fund & Other Funds | 77,876 | 61,506 |
| Staff welfare expenses | 1,066,777 | 911,508 |
| | 32,020,571 | 27,963,631 |
| **NOTE - 19** | | |
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation of property, plant and equipment | 209,913 | 338,246 |
| Amortisation of intangible assets | - | - |
| | 209,913 | 338,246 |
| **NOTE - 20** | | |
| **OTHER EXPENSES** | | |
| Power & Fuel | 378,340 | 744,309 |
| Maintenance Exp. | 258,519 | 258,519 |
| Repairs & Maintenance | | |
| - Others | 147,139 | 27,554 |
| Rates & taxes | 26,423 | 19,080 |
| Franchise Exp | 8,794 | 6,442 |
| Advertisement & Publicity | 21,601 | 40,522 |
| Business Promotion Exp. | 788,279 | 1,247,310 |

Contd.....

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

| PARTICULARS | As at 31.03.2021 Amount (₹) | As at 31.03.2020 Amount (₹) |
|---|---|---|
| **NOTE - 20** (Contd...) | | |
| **OTHER EXPENSES** | | |
| Legal Expenses | 259,900 | 366,100 |
| Consultancy Charges | 1,002,807 | 1,645,557 |
| Cost to Investment Exp | 1,770 | 2,083 |
| Communication Exp | | |
| - Telephone Exp. | 327,635 | 175,115 |
| - Bandwidth Charges | 234,707 | 313,750 |
| Bank Charges & Commission | 18,448 | 11,109 |
| Board Meeting Exp. | 320,000 | 336,000 |
| Customer Support | 1,363,797 | 2,339,500 |
| Software Development Exp. | 8,160,711 | 5,980,000 |
| SEBI Reg fees | - | 1,500 |
| Conveyance | 258,389 | 291,193 |
| Travelling Exp | 668,726 | 1,391,627 |
| Paypal Charges | 63,986 | 87,326 |
| Rental Charges | 134,165 | - |
| Referral Fee Paid | 337,517 | 1,678,978 |
| Printing & Stationery | 178,590 | 264,950 |
| Demat Charges | 1,239 | 2,889 |
| Analysis of Market | - | 80,000 |
| MTM Loss | - | 2,878,295 |
| Long Term Capital Loss | 19,553 | - |
| Short Term Capital Loss | - | 13,195 |
| Speculation Loss | - | 209 |
| Donation | 21,000 | - |
| Software Expenses | 24,000 | 24,000 |
| Subscription Charges | 75,000 | 88,800 |
| Rent | 240,000 | 240,000 |
| Professional Fees | - | 6,500 |
| Renovation Expenses | 1,383,744 | 607,685 |
| Director Sitting Fees | 16,000 | - |
| Other Expenses | 1,376,097 | 1,871,019 |
| Filing Fees | 1,200 | 7,700 |
| Statutory Expenses | | |
| - Postage for AGM | - | 249,280 |
| - Printing & Stationery AGM | - | 378,000 |
| - Share Transfer Fees | 60,000 | 60,305 |
| - Other Statutory Expenses | 538,750 | 527,935 |
| Payment to Auditors | | |
| (a) To statutory auditors | | |
| -Statutory audit fee | 25,900 | 25,900 |
| -Internal Audit Fee | 60,000 | 210,000 |
| -Tax audit fee | 5,000 | 5,000 |
| | 24,505,234 | 22,768,693 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

21. **Deferred taxes:**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences whereas, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax asset at the time of transaction affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax asset is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

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.

22. 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.

23. 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.

24. EarningsPer Share (EPS) :

| **Particulars** | **Year ended 31 March 2021** | **Year ended 31 March 2020** |
|---|---|---|
| Net profit attributable to equity shareholders | 4,106,944 | 7,16,455 |
| 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 | 0.07 | 0.01 |
| - Diluted earnings per equity share | 0.07 | 0.01 |

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

| **Defined Contribution Plan:** | **2020-21 (Rs.)** | **2019-20 (Rs.)** |
|---|---|---|
| Contribution to the above plan is recognized for the year as under: | | |
| Employer's Contribution to Provident Fund | 66,330/- | 36,669/- |
| Employer's contribution to Employee State Insurance | 7,546/- | 24,837/- |

**Defined Benefit Plan:**

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

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

| **Period** | **1/4/2020 to 31/3/2021** | **1/4/2019 to 31/3/2020** |
|---|---|---|
| Present value of the obligation at the beginning of the period | 21,72,882 | 15,86,930 |
| Interest cost | 1,28,916 | 1,01,331 |
| Current service cost | 5,68,218 | 5,46,245 |
| Past Service Cost | - | - |
| Benefits paid (if any) | - | - |
| Actuarial (gain)/loss | (1,82,933) | (61,624) |
| Present value of the obligation at the end of the period | 26,87,083 | 21,72,882 |

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

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Actuarial gain / losses from changes in Demographics assumptions (mortality) | Not Applicable | Not Applicable |
| Actuarial (gain)/ losses from changes in financial assumptions | (82,768) | 2,41,049 |
| Experience Adjustment (gain)/ loss for Plan liabilities | (1,00,165) | (3,02,673) |
| Total amount recognized in other comprehensive Income | (1,82,933) | (61,624) |

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

| Period | As on 31/3/2021 | As on 31/3/2020 |
|---|---|---|
| Present value of the obligation at the end of the period | 26,87,083 | 21,72,882 |
| Fair value of plan assets at end of period | 0 | 0 |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 26,87,083 | 21,72,882 |
| Funded Status - Surplus/ (Deficit) | (26,87,083) | (21,72,822) |

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

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Interest cost | 1,28,916 | 1,01,331 |
| Current service cost | 5,68,218 | 5,46,245 |
| Past Service Cost | 0 | 0 |
| Expected return on plan asset | (0) | (0) |
| Expenses to be recognized in P&L | 6,97,134 | 6,47,576 |

25.2 (b) Other comprehensive (income) / expenses (Remeasurement)

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Cumulative unrecognized actuarial (gain)/loss opening. B/F | (2,16,419) | (1,54,795) |
| Actuarial (gain)/loss - obligation | (1,82,933) | (61,624) |
| Actuarial (gain)/loss - plan assets | 0 | 0 |
| Total Actuarial (gain)/loss | (1,82,933) | (61,624) |
| Cumulative total actuarial (gain)/loss. C/F | (3,99,352) | (2,16,419) |

25.2 (c) Net Interest Cost

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Interest cost on defined benefit obligation | 1,28,916 | 1,01,331 |
| Interest income on plan assets | 0 | 0 |
| Net interest cost (Income) | 1,28,916 | 1,01,331 |

25.3 Experience adjustment:

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Experience Adjustment (Gain ) / loss for Plan liabilities | 1,00,165 | (3,02,673) |
| Experience Adjustment Gain / (loss ) for Plan assets | 0 | 0 |

25.4 The assumptions employed for the calculations are tabulated:

| | | |
|---|---|---|
| Discount rate | 6.5% per annum | 6.5% per annum |
| Salary Growth Rate | 5.00 % per annum | 5.00 % per annum |
| Mortality | IALM 2012-14 | IALM 2012-14 |
| Withdrawal rate (Per Annum) | 15.00% p.a. | 15.00% p.a. |

25.5 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 | 2000000.00 | 2000000.00 |

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

| Period | As on 31/3/2021 | As on 31/3/2020 |
|---|---|---|
| Current Liability (Short Term)* | 3,88,086 | 3,02,194 |
| Non-Current Liability (Long Term) | 22,98,997 | 18,70,688 |
| Total Liability | 26,87,083 | 21,72,882 |

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

25.7(a) Funding arrangements and funding policy — Not Applicable

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

| | | |
|---|---|---|
| The Company's best estimate of Contribution during the next year | 10,95,664 | 9,46,774 |

25.7(c) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

| | |
|---|---|
| 01 Apr 2021 to 31 Mar 2022 | 3,88,086 |
| 01 Apr 2022 to 31 Mar 2023 | 1,08,386 |
| 01 Apr 2023 to 31 Mar 2024 | 1,18,118 |
| 01 Apr 2024 to 31 Mar 2025 | 1,16,496 |
| 01 Apr 2025 to 31 Mar 2026 | 1,06,142 |
| 01 Apr 2026 Onwards | 18,49,855 |

25.8 Projection for next period :

| | |
|---|---|
| Best estimate for contribution during next Period | 10,95,664 |

25.9: 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 31/3/2021 |
|---|---|
| Defined Benefit Obligation (Base) | 26,87,083 @ Salary Increase Rate : 5%, |
| Liability with x% increase in Discount Rate | 25,21,724; x=1.00% |
| Liability with x% decrease in Discount Rate | 28,80,472; x=1.00% |
| Liability with x% increase in Salary Growth Rate | 28,81,628; x=1.00% |
| Liability with x% decrease in Salary Growth Rate | 25,18,132; x=1.00% |
| Liability with x% increase in Withdrawal Rate | 26,89,288; x=1.00% |
| Liability with x% decrease in Withdrawal Rate | 26,81,381; x=1.00% |

25.10 Reconciliation of liability in balance sheet :

| Period | 1/4/2020 to 31/3/2021 | 1/4/2019 to 31/3/2020 |
|---|---|---|
| Opening gross defined benefit liability/ (asset) | 21,72,882 | 15,86,930 |
| Expenses to be recognized in P&L | 6,47,576 | 6,47,576 |
| OCI- Actuarial (gain)/ loss-Total current period | (1,82,933) | (61,624) |
| Benefits paid (if any) | 0 | |
| Closing gross defined benefit liability/ (asset) | 26,87,083 | 21,72,882 |

26. **Related Party disclosures :**

Information on related party transactions as required by Ind AS - 24 - Related Party Disclosures for the year ended 31 March 2021.

Name of the related parties and related party relationships

**i) Key management personnel**

| Name of The Person | Designation |
|---|---|
| Ajay Kumar Agarwal | Executive Director |
| Sagar Mal Gupta | Promoter Non-Executive Director |
| Arpita Gupta | Non-Executive Director |
| Vikash Kamani | Independent Director |
| Sushil Kumar Gupta | Independent Director |
| Leela Murjani | Independent Director |
| Farzana Chowdhury | Executive Director |
| Mahesh Gupta | Chief Executive Officer |
| Vikash Singh | Chief Financial Officer |
| Rupal Poddar | Company Secretary (upto 30.01.2021) |
| Pritika Gupta | Company Secretary (w.e.f. 26.02.2021) |

**ii) 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

**iii) Transaction s with related parties**

Payment to Key Managerial Personnel

| Transaction | Key Managerial Personnel | Year ended 31 March 2021 (₹) | Year ended 31 March 2020 (₹) |
|---|---|---|---|
| Remuneration | Ms. Farzana Chowdhury | Rs. 4,79,871/- | Rs. 5,07,823/- |
| Remuneration | Mr. Vikash Singh | Rs. 2,64,000/- | Rs. 44,000/- |
| Remuneration | Mrs. Rupal Poddar | Rs. 1,08,000/- | Rs. 1,44,000/- |
| Remuneration | Mrs. Pritika Gupta | Rs. 15,000/- | Nil |
| Director sitting fees | Mr. Sushil Kumar Gupta | Rs. 8000/- | Rs. 8000/- |
| Director sitting fees | Mr. Mahesh Gupta | Rs.1,60,000/- | Rs.1,60,000/- |
| Director sitting fees | Ms. Leela Murjani | Rs.1,68,000/- | Rs.1,68,000/- |
| Legal Expenses | Mrs.Arpita Gupta | Rs. 2,40,000/- | Rs. 1,80,000/- |
| Reimbursement of Conveyance Expenses | Mrs.Arpita Gupta | Rs. 90,000/- | Nil |
| Reimbursement of Secretarial Office maintenance expenses | Mrs.Arpita Gupta | Rs. 60,000/- | Nil |
| Reimbursement of Conveyance Expenses | Mr. Mahesh Gupta | Rs. 2,70,000/- | Rs. 1,35,000/- |
| Reimbursement of Secretarial Office maintenance expenses | Mr. Mahesh Gupta | Rs. 1,25,000/- | Nil |

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

| Particulars | Related Party | As at 31 March 2021 (₹) | As at 31 March 2020 (₹) |
|---|---|---|---|
| Trade Receivables | Leena Consultancy | Rs. 1,97,63,567/- | Rs. 1,97,63,567/- |
| Trade Receivables | Rituraj Shares & Securities | Rs. 98,04,730/- | Rs. 98,04,730/- |
| Trade Receivables | Rituraj Shares & Securities Ltd. | Rs. 36,99,175/- | Rs. 36,99,175/- |
| Loan from Director | Mr. Mahesh Gupta | - | Rs. 13,43,000/- |
| Loan from Director | Ms. Leela Murjani | Rs. 4,49,000/- | Rs. 17,43,000/- |

27. **Fair value measurement:**

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

| Particulars | As at 31 March 2021 (₹) | As at 31 March 2020 (₹) |
|---|---|---|
| **a. Financial assets** | | |
| **i. Designated at fair value through other comprehensive income (FVTOCI)** | | |
| Investments in Quoted Equity Instruments (refer note (i) below) | 14,92,688/- | 6,40,904/- |
| Investment in Quoted Mutual Fund | 1,12,61,460/- | 75,64,029/- |
| **ii. Carried at cost** | | |
| Trade Receivable | 3,31,29,754/- | 31,945,073/- |
| Loans | 1,28,064,471/- | 1,24,166,456/- |
| Others | 11,04,966/- | 24,24,178/- |
| Cash and Cash Equivalents | 6,514,946/- | 36,61.979/- |
| **iii. Measured at Cost** | | |
| Investments in Unquoted Equity Instruments | 66,59,160/- | 51,71,185/- |
| Investment in Partnership Firm | 33,260,798/- | 33,431,801/- |
| **Total Financial Assets** | **2,21,488,243/-** | **2,09,005,605/-** |
| **b. Financial Liabilities :** | | |
| **Measured at Amortized Cost** | | |
| Trade Payables | 45,46,101/- | 37,58,265/- |
| Borrowings | 4,49,000/- | 30,86,000/- |
| Other Financial Liabilities | 7,96,414/- | 4,91,242/- |
| **Total Financial Liabilities** | **57,91,515/-** | **73,35,507/-** |

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.

**B. Fair value hierarchy**

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

The Categories used are as follows:

- Level 1: Quoted prices (Unadjusted) in active markets for financial instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| As at 31st March, 2021 | | | |
| **Designated at fair value through other comprehensive income (FVTOCI)** | | | |
| Investments in Quoted Equity Instruments | 14,92,688/- | - | - |
| Investment in Mutual Fund | 1,12,61,460/- | - | - |
| As at 31st March, 2020 | | | |
| **Designated at fair value through other comprehensive income (FVTOCI)** | | | |
| Investments in Quoted Equity Instruments | 6,40,904/- | - | - |
| Investment in Mutual Fund | 75,64029/- | - | - |

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**C. Computation of Fair Values**

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

Investments in equity instruments represent 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 recognized stock exchange (where traded volume is more during last six months).

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

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

**28. 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 is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**i) Trade receivables**

Customer credit risks are 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 is 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.

iii) **Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities. The Company does not have any significant concentration of exposures to specific industry sectors.

**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. 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 & 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.

The working capital position of the Company is given below:

| Particulars | As at 31st March 2021 (₹) | As at 31st March 2020 (₹) |
|---|---|---|
| Cash and cash equivalents | 65,14,946/- | 36,61,979/- |
| Trade receivables | 35,54,264/- | 23,29,580/- |
| Investments | 93,21,453/- | 64,81,936/- |
| Other financial assets | 5,83,42,950/- | 5,68,55,469/- |
| Other current assets | 42,85,776/- | 50,46,752/- |

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

| Particulars | As at 31st March 2021 (₹) | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Borrowings | 1,48,000/- | 3,01,000/- | - | 4,49,000/- |
| Trade payables | 44,93,451/- | 51,150/- | 1500/- | 45,46,101/- |
| Other financial liabilities | - | 5,59,340/- | 2,37,074/- | 7,96,414/- |

| Particulars | As at 31st March 2020 (₹) | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-5 years | More than 5 years | Total |
| Borrowings | 30,86,000/- | - | - | 30,86,000/- |
| Trade payables | 29,95,344/- | 7,62,921/- | - | 37,58,265/- |
| Other financial liabilities | - | 4,90,124/- | 1,118/- | 4,91,242/- |

**d. Capital Management:**

The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

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 Group's capital management is to maximize the shareholder value

**29.** The Group has made an assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, investments, inventories, receivables and other current / non-current assets as of 31 March, 2021 and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. The Group is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Given the criticalities associated with nature, condition and duration of COVID-19, the impact assessment on the Group's financial statements will be continuously made and provided for as required.

**30.** 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 : 29th June, 2021

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

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

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

**Vikash Singh**
Chief Financial Officer

**Pritika Gupta**
Company Secretary

*If undelivered, please return to :*

Lee & Nee
Softwares (Exports) Ltd.

Office : 14B, Camac Street
Kolkata - 700 017