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ERPSOFT ANNUAL REPORT

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CORPORATE INFORMATION

Board of Directors

K. Parvathi, M.A, M.Phil
D. Sarojanamma
K. Radha Krishna Reddy
R. Kamala Mohan .
Mr. PavanSrinivas, ACS

Compliance Officer

Mrs. R. Kamala Mohan

Auditors

M/s. Vijayaraghavan and Associates

Internal Audit

M/s Ashok Golechha & Co.

Consulting Company Secretary

Mr. T. Murugan B.Sc., ACA. ACS,

Bankers

ICICI Bank Limited

T.Nagar Branch
Bazullah Road
Chennai – 600 017.

Registrars & Transfer Agents

Cameo Corporate Services Limited
Subramanian Building, First Floor
1, Club House Road,
Chennai.

ERP SOFT SYSTEMS LIMITED

Registered Office

ERP Soft Systems Limited
A-21, Anna Nagar
Chennai 600 102, India
Ph: 044 26269578.
info@erpsoft.com

USA

Liberty Com LLC
303 West Capitol, Suite 325
Little Rock, Arkansas 72201, USA
info@libertycom.com
Phone 501-960-3302
Fax 206.309.0952

Website

www.erpsoft.com

AGM NOTICE

NOTICE TO MEMBERS

NOTICE is hereby given that the Nineteenth Annual General Meeting of ERP Soft Systems Limited will be held at No. A Block - 21, 4th Street Anna Nagar, Chennai - 600 102 on Friday, September 27, 2013 at 10.00 a.m. to transact the following business:

Ordinary Business:

To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013, the Profit and Loss Account for the period April 01, 2012 to March 31, 2013 on that date, and the Reports of the Board of Directors and the Auditors thereon.

1. To appoint a Director in place of Mrs. K. Parvathi, who retires by rotation and, being eligible, offers herself for re-appointment.
2. To appoint a Director in place of Mrs. D. Sarojanamma who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Pavan Srinivas, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration. To consider and, if thought fit to pass with or without modification(s) the following as a Special Resolution.

“RESOLVED THAT M/s VIJAYARAGHAVAN AND ASSOCIATES, Chartered Accountants, be and are hereby appointed as the auditors of the company to hold office until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the board, in addition to reimbursement of out of pocket expenses.”

Order of the Board

Registered Office:
A-21, Anna Nagar
Chennai – 600 102.

August 31, 2013.

Sd/-
K. Parvathi
Managing Director.

Notes:

- a) The Register of Members and the Share Transfer Books of the Company will remain closed from September 15, 2013 to September 27, 2013, both days inclusive.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THAT A PROXY NEED NOT BE A MEMBER.
- c) The instrument appointing proxy should be deposited at the Head Office at Annanagar of the Company not less than 48 hours before the commencement of the meeting.
- d) The members/proxies are requested to bring duly filled in Attendance Slips sent herewith for attending the meeting.
- e) The members are requested to notify promptly any change in their addresses to the Company's Registrars and Transfer Agents.
- f) The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.

ERP SOFT SYSTEMS LIMITED

ADDITIONAL INFORMATION PURSUANT TO CLAUSE 49-VI OF THE LISTING AGREEMENT DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Mrs. K. Parvathi **Managing Director**

Mrs. K. Parvathi is responsible for providing vision and direction to the board and has management responsibility at ERP Soft. She has more than 25 years of IT experience which includes her association with prominent IT Service Providers. Parvathi holds Post graduation and Master of Philosophy (M. Phil) from Madras University.

Directorship in other companies	ProtechSoft Systems Pvt Ltd,
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mrs. D. Sarojanamma **Director.**

Mrs. D. Sarojanamma has been in business and has been on board of several companies.

Directorship in other companies	Carnegie Logistics Pvt Ltd
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mr. K. Radhakrishna Reddy **Director**

Mr. Radha Krishna Reddy has decades of experience as entrepreneur and in managing business and operations.

Mrs. R. Kamala Mohan **Director-Independent/Non-Executive Director**

Mrs. R. Kamala Mohan has over two decades experience in working as company executive in charge of finance, administration and client support. Board places on her the responsibility to see that Investor's concerns are attended to immediately. Kamala manages investor protection and grievance redresses at a fast pace and she has ensured that grievances are attended to within forty eight hours at the maximum

Directorship in other companies	Nil
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mr. Pavan Srinivas **Company Secretary – Independent/Non-Executive Director.**

Mr. Pavan Srinivas has rich experience in handling corporate, financial and legal compliance. He takes the total responsibility of ensuring financial and legal compliance of the organization. He manages the comprehensive corporate communication channels between board of directors and shareholders on all aspects of corporate governance. Being a professional Company Secretary, Srinivas is able to provide much needed guidance and support in ensuring corporate governance which is of utmost importance to ERP Soft.

Directorship in other Indian companies	Nil
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

ERP SOFT SYSTEMS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors take great pleasure in presenting their report on the business and operations of your Company along with the Annual Report and audited financial statements for the period April 01, 2012 to March 31, 2013.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2012-13 are tabulated below:

(In Rupees)

	Consolidated		Parent	
	2012 – 2013	2011 - 2012	2012- 2013	2011 -2012
Sales and other income	336,206,172	45,202,584	7,383,673	4,477,729
Profit before tax	8,571,206	7,787,653	3,612,847	1,204,116
Provision for tax	1,192,000	149,504	1,192,000	149,504
Deferred Tax	(472)	(22,253)	(472)	(22,253)
Income Tax Previous Year	149,508	600,000	149,504	600,000
Profit for the year	7,529,186	8,260,402	2,570,827	1,676,865
Accumulated losses carried forward	0	0	0	0
Appropriations :	0	0	0	0
Interim Dividend	0	0	0	0
Proposed dividend	0	0	0	0
Transfer to reserves	7,529,186	8,260,402	2,570,827	1,676,865

SUBSIDIARY COMPANIES

100% Subsidiary company, Libertycom LLC in USA is focusing on ERP, Business Intelligence/ Analytics projects and staffing. The financial statements of the subsidiary are enclosed at the end of this annual report.

CONSOLIDATED RESULTS

Our Consolidated Sales for the current year have increased by Rs.285,921,281/- and profit for the same period have decreased to Rs.731,216/-.

CORPORATE GOVERNANCE

Corporate Governance will continue to be Board's responsibility.

The Code of Ethics and Business Conduct of the Company is based fundamental principles:

ERP SOFT SYSTEMS LIMITED

Report on Corporate Governance, along with a certificate of Statutory Auditors of the Company, is annexed herewith.

A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the period April 01, 2012 to 31 March, 2013 was placed before the Board of Directors and the Board has noted the same.

A list of the committees of the Board and names of their members is given below. The scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

a) Composition of the Audit Committee along with the Independent status

- 1) Mr. Pavan Srinivas, ACS
Chairman, Audit Committee-
Independent Director
Non-Executive
Professional Company Secretary
- 2) Mrs. R. Kamala Mohan,
Member, Audit Committee
Independent Director
Non-Executive

b) Composition of the Shareholders / Investors Grievance Committee

- 1) Mrs. R. Kamala Mohan,
Chairman, Investors Grievance Committee
Independent Director
Non-Executive
- 2) Mr. Pavan Srinivas, ACS
Member, Investors Grievance Committee
Independent Director
Non-Executive
Professional Company Secretary

HUMAN RESOURCES

Employees are the key assets of the Company/ ERP SOFT has established process for selecting quality resources and engages them in the projects in USA and India.

EMPLOYEE STOCK OPTION PLANS

No employee was issued Stock Option, during the year. .

FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

During the year our Company earned foreign exchange inflow of Rs.224.39 Lacs and the outgoings in foreign exchange were Nil.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy and technology absorption are furnished hereunder:

ERP SOFT SYSTEMS LIMITED

CONSERVATION OF ENERGY

The operations of the Company are not energy-intensive. The Company, however, takes measures to reduce and optimize energy consumption by using energy efficient computers etc. Further, offices have been designed to maximize the use of ambient lighting while conserving the air conditioning. The expense on power in relation to income is nominal and under control.

TECHNOLOGY ABSORPTION

Since businesses, process and technologies are changing constantly, investment in research and development activities is of great importance. Your Company lays a great importance on knowledge management and has a process for absorption of new technologies. Your Company continued its focus on quality up-gradation of the software development process and software product enhancements.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on Company's performance , industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable are presented that forms part of this annual report.

RE-APPOINTMENT OF STATUTORY AUDITOR

M/s Vijayaraghavan and Associates, the present Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

FIXED DEPOSITS

ERPSOFT has not accepted any fixed deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and Central and State Governments for their consistent support to the Company.

Your Directors also place on record their appreciation for the excellent contribution made by all employees of ERP Soft Systems Limited through their commitment, competence, co-operation and diligence to duty in achieving consistent growth for the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures is made from the same;
- ii. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in Accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts on a going concern basis.

PROSPECTS

ERPSOFT focus areas of SAP and Analytics/ Business Intelligence are growth areas. These areas in the environment of social, cloud and mobility have a huge upside. ERPSOFT is hiring experienced IT employees and consultants. SAP HANA and Big Data are niche areas and ERPSOFT is taking small initiatives to test the business potential.

Disclosure of Particulars of employees forming part of directors report pursuant to Section 217(2A) of the Companies Act, 1956 and the companies (Particulars of Employees) Rules, 1975

During the year no employee, had drawn salary in excess of the amounts prescribed under section 217(2A) of the Companies Act, 1956.

Disclosures of particulars in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999

No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company.

For and on behalf of the Board of Directors,

**Sd/-
K. Parvathi
Managing Director.**

Chennai, May 30, 2013.

ERP SOFT SYSTEMS LIMITED

ANNEXURE TO DIRECTORS' REPORT

To
The Board of Directors
ERP Soft Systems Limited
Chennai.

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement of ERP Soft Systems Limited ("the Company") for the quarter and year ended March 31, 2013 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with 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 period which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company, and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware of 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:
- (i) Significant changes in internal controls during the period, if any;
 - (ii) Significant changes in accounting policies during the period, if any; and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For ERP SOFT SYSTEMS LIMITED

Sd/-
K. Parvathi
Managing Director.

Sd/-
D. Sarojanamma
Director.

Chennai, May 30, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

OVERVIEW

ERPSOFT is in the business of ERP, Analytics which is IT services & consulting. Also due to increased cloud deployments, security is a big risk faced by enterprises and your company is exploring this market.

BPO SERVICES

Company did not have any revenues from BPO during the year.

OPPORTUNITIES AND THREATS

Good demand exists for IT resources and projects. It is very difficult to hire capable resources in current market.

BUSINESS PERFORMANCE

Our total revenues in for the year ended March 31, 2013 were Rs.336,206,172/- representing an increase of Rs.291,003,588/- from Rs.45,202,584/- in F.Y. 2011-12. The net income for the year ended March 31, 2013 was Rs.8,571,206/- against Rs.7,787,653/- in F.Y. 2011-12.

REVENUE

Our revenue from services represented 100% of the total revenues for both the financial years ended March 2013 and March 31, 2012. The services revenue were Rs.336,206,172/- for the year ended March 31, 2013, an increase of Rs.291,003,588/- from Rs.45,202,584/- in the year ended March 31, 2012.

COST OF SERVICES REVENUE AND OPERATING EXPENSES

The cost of revenues for services consists primarily of compensation expenses for our software professionals etc. We recognize these costs as incurred. Our operating expenses include general and administrative expenses and allocated overhead expenses associated with human resources, management information systems and finance.

GEOGRAPHIC BREAKUP OF REVENUES

The following table represents the percentage breakup of our revenues for IT Services and BPO services business by region:

	Year ended March 31, 2013			Year ended March 31, 2012		
	IT	BPO Services	Total revenues	IT	BPO Services	Total revenues
North Americas (USA)	100%	0%	100%	%	%	100%
Europe	0%	0%	0%	0%	0%	0%
Asia	0%	0%	0%	0%	0%	0%
Middle East	0%	0%	0%	0%	0%	0%
India	0%	0%	0%	0%	0%	0%
Africa	0%	0%	0%	0%	0%	0%
Latin America and Caribbean	0%	0%	100%	0%	100%	100%

ERP SOFT SYSTEMS LIMITED

TRADE RECEIVABLES

Trade receivables as of March 31, 2013 and March 31, 2012 were Rs.18,965,412/- and Rs.43,915,493/- respectively. The Company periodically reviews its account receivables outstanding as well as the aging quality of the account receivable of the client.

RISKS AND CONCERNS

Our primary risk exposures are due to (a) foreign exchange rate fluctuations, principally relating to the fluctuation of the US Dollar to the Indian Rupee (b) fluctuations in interest rates and (c) fluctuations in the value of our investments.

100% of our revenues is generated in foreign currencies. Our functional currency for Indian operations is the Indian Rupee. We expect that the majority of our revenue will continue to be generated in foreign currencies.

OUTLOOK

There are several key opportunities for ERPSOFT in SAP and BI/ Analytics.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These systems have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. The Company continuously aligns all its processes and controls with global best practices.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

SHARE CAPITAL

The Company has a paid up capital of Rs.396 Lacs, comprising 39.60Lacs equity shares of Rs.10/- each as of March 2013.

PROFIT AND LOSS ACCOUNT

The company has accumulated profits carried forward from previous year of Rs.8,260,402/- which was increased with the profit for the year and the amount standing to the credit of profit and loss account is Rs.7,529,186/- as on March 31, 2013.

REVENUES

Our revenue is Rs.331,038,987/-

100% of our revenue came from the Americas as our global destination is America only.

Sd/-

K. Parvathi
Managing Director.

Chennai, May 30, 2013.

REPORT ON CORPORATE GOVERNANCE 2011-12

COMPANY PHILOSOPHY

The company believes good governance is an essential ingredient of good business. Good governance and good business means decision making, accountability, responsiveness, transparency, effectiveness and efficiency among others.

ANNUAL GENERAL MEETING

Annual General Meeting for the year ended March 31, 2013 is scheduled on September 27, 2013, at 10.00 AM. The meeting will be conducted at A Block 21, 4th Street, Anna Nagar Chennai – 600 102.

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in the meeting. For this you need to fill in a proxy form and send it to us. The last date for receipt of proxy forms by us is September 25, 2013, before 11.00 AM

ANNUAL GENERAL MEETINGS AND OTHER GENERAL BODY MEETING OF EARLIER YEARS

For the year **2003-04**, we had our Annual General Meeting on October 30, 2004 at 11.00 AM. The venue for the meeting was A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed.

For the year **2004-05**, we had our Annual General Meeting on December 30, 2005 at 11.00 AM. The venue for the meeting was A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed.

For the year **2005-06**, we had our Annual General Meeting on December 27, 2006 at 11.00 AM. The meeting was held at A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed.

For the year **2006-07**, we had our Annual General Meeting on December 24, 2007 at 11.00 AM. The meeting was held at A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed.

For the year **2007-08**, we had our Annual General Meeting on December 29, 2008 at 11.00 AM. The meeting was held at A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed

For the year **2008-09**, we had our Annual General Meeting on September 28, 2009 at 11.00 AM. The meeting was held at “Tranquil Nest” Plot No. 10-A, Kamakoti Nagar Main Road, Pallikaranai, and Chennai 600100. In that meeting no Special resolutions were passed

For the year **2009-10**, we had our Annual General Meeting on September 30, 2010 at 11.00 AM. The meeting was held at “Tranquil Nest” Plot No. 10-A, Kamakoti Nagar Main Road, Pallikaranai, and Chennai 600100. In that meeting no Special resolutions were passed

For the year **2010-11**, we had our Annual General Meeting on September 29, 2011 at 11.00 AM. The meeting was held at “Tranquil Nest” Plot No. 10-A, Kamakoti Nagar Main Road, Pallikaranai, and Chennai 600100. In that meeting no Special resolutions were passed.

For the year **2011-12**, we had our Annual General Meeting on September 28, 2012 at 10.00 AM. The meeting was held at A-21, Anna Nagar, and Chennai 600102. In that meeting no Special resolutions were passed

ERP SOFT SYSTEMS LIMITED

FINANCIAL YEAR

Our tentative calendar for declaration of results for the year ended March 31, 2013 is as given below:

Calendar for Reporting

Quarter ending	Release of results
For the quarter ending Third week of June 2012	30.07.2012
For the quarter and half year ending September 30, 2012	30.10.2012
For the quarter nine months ending December 31, 2012	31.01.2013
For the Annual Audited Results for the year ended March 31, 2013	30.05.2013

INTERIM DIVIDEND AND FINAL DIVIDEND

No dividends are declared by Board of Directors hence record date for the purpose of payment of dividend was not fixed.

DATE OF BOOK CLOSURE

Our Register of members and share transfer books will remain closed from September 15th, 2013 to September 27th, 2013 (both days inclusive).

MEANS OF COMMUNICATION WITH SHAREHOLDERS

We have established the procedures in a planned manner, the relevant information to our shareholders, employees etc. Our Audit Committee reviews the press releases, annual and quarterly reports of the Company, before they are presented to the Board of Directors for their approval for release.

Our notices, intimation of board meetings, quarterly results, half yearly results, results for the year ended, annual results are published in national newspapers such as The News Today and regional newspapers like the Maalai Sudar. Our results, news releases and presentations are now being posted on the Company's website at www.erpssoft.com

We also created Investorcare@erpssoft.com for effective investor care and protection and redressal of any grievances.

Means of communications	Number of times
Publication of results	4

ERP SOFT SYSTEMS LIMITED

LISTING ON STOCK EXCHANGES

Your Company's shares are listed in the following exchanges as of March 31, 2012 and the stock codes are

Stock codes

Equity shares	Stock Codes
Bombay Stock Exchange Limited (BSE)	530909
Madras Stock Exchange Limited (MSE)	ERPSOFTSYS

CORPORATE IDENTITY NUMBER (CIN)

Our Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is **U67120TN1994PLC029563** and our Company Registration Number is 29563. Our Company is registered in the State of Tamilnadu, India.

SHARE TRANSFER SYSTEM

Your Board has delegated the power of share transfer to Registrar and Share Transfer Agents - M/s. Cameo Corporate Services Limited. The turnaround time for completion of transfer of shares in physical form is generally less than 7 days from the date of receipt, if the documents are clear in all respects. Company has established Demat facility with NSDL and CSDL.

ADDRESS FOR CORRESPONDENCE

All correspondence relating to the shares of the Company should be addressed to Cameo Corporate Services Limited at the address given below:

Cameo Corporate Services Limited.
Subramanian Building, 1st Floor
1, Club House Road, Chennai
Tel: 044 28460390
Fax: 044 28460129
Email id: cameo@cameoindia.com
Contact person: Mr. R.D. Ramaswamy.

For Correspondence with the company,

ERP Soft Systems Limited

Registered Office:
A 21,
A Block 4th Street
Annanagar East
Chennai 600102

DESCRIPTION OF VOTING RIGHTS

All our shares carry voting rights on a pari-passu basis.

DISTRIBUTION OF SHAREHOLDING AND CATEGORIES OF SHAREHOLDERS

Category	March 31, 2013				March 31, 2012			
	No of share holders	% to shares	No of shares	% to Total equity	No of share holders	% to shares	No Of shares	% to Total Equity
0-5000	184	69.96	42822	2.00	160	81.22	79400	2.00
5001-10000	25	9.51	19000	3.37	14	7.10	133700	3.37
10001-20000	7	2.66	10125	2.47	5	2.54	98100	2.47
20001-30000	4	1.52	10693	0	0	0.00	0	0
30001-40000	3	1.14	10960	0	0	0.00	0	0
40001-50000	2	0.76	9600	1.26	1	0.50	50000	1.26
50001-100000	14	5.32	132900	11.91	5	2.53	521800	11.91
100001 and above	24	9.13	3723900	78.96	12	6.09	3127000	78.96
Total	263	100	3960000	100		100		100

Category code	Category of Shareholders	Number of share-holders	Total number of shares	Number of shares Held In dematerialized form	Total shareholding as a Percentage of total Number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of promoter and					
(1).	Indian					
(a)	Individuals/ Hindu Undivided Family	10	2020700	1600000	51.03	51.03
(b)	Central Government/ State Governments	0	0	0	0	0
(C)	Bodies Corporate	0	0	0	0	0
(d)	Financial Institutions/Banks	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0
	Sub-Total (A)(1)	10	2020700	1600000	51.03	51.03
(2).	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0
(C)	Institutions	0	0	0	0	0
(d)	Any Other (Specify)	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0
	Total Shareholding of promoter And promoter Group (A)=(A)(1)+(A)(2)	10	2020700	1600000	51.03	51.03
Category code	Category of shareholders	Number of share	Total number	Number of shares Held	Total shareholding as a percentage of	

ERP SOFT SYSTEMS LIMITED

		-holders	of shares	in dematerialized form	total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(B)	Public Shareholding					
(1).	Institutions					
(a)	Mutual Funds/ UTI					
(b)	Financial Institutions/ Banks					
(C)	Central Government/ State Governments					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other (Specify) Sub-Total (B)(1)					
(2).	Non-Institutions					
(a)	Bodies Corporate	4	214934	234	5.43	5.43
(b)	Individuals-					
i	Individual Shareholders holding nominal share capital up to Rs.1 Lakh	228	223051	21251	5.63	5.63
ii	Individual Shareholders holding nominal share capital in excess Rs.1 Lakh	12	1469200	0	37.10	37.10
(c)	Any Other (Specify) Non-Resident Individuals	2	115	115	0	0
	Sub-Total (B)(2)	7	32000	0	0.81	0.81
	Total Public Shareholding (B)=(B)(1)+(B)(2)	253	1939300	21600	48.97	48.97
	TOTAL (A)+(B)	263	3960000	1620600	100	100
(C)	Shares held by Custodians and against Which Depository Receipts have been Issued	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	263	3960000	1620600	100	100

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Equity Shares of 1620600 has been dematerialized up to March 31, 2013. Our company shares have been approved for dematerialization by National Securities Depository Limited (NSDL).

INFORMATION FLOW TO THE BOARD MEMBERS

We present our annual Plan and Operating Plans of our businesses to the Board for their review, inputs and approval. Likewise, our quarterly financial statements and annual financial statements are first presented to the audit committee of the Board of Directors, and subsequently to the Board of Directors for their approval. In cases of statutory matters are presented to the Board and Committees of the Board for their approval. Meeting with Directors enthuse and motivate our business leaders.

BOARD MEETINGS

We decide on the board meeting dates in consultation with all our directors. Once decided the schedule of the Board meeting and Board Committee meetings is communicated in advance to the Directors to enable them to schedule their meetings. Our Board met five times during the year ended March 31, 2013 on May 30, 2012, July 30, 2012, October 12, 2012, October 30 2012, and January 30, 2013.

POST-MEETING FOLLOW-UP SYSTEM

After the board meetings, we have a formal system in place of follow up, review and reporting on actions taken by the management on the decisions of the Board.

DISCLOSURE OF MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year ended March 31, 2012 no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2013 and have given undertakings to that effect.

WHISTLE BLOWER POLICY AND AFFIRMATION THAT NO PERSONNEL HAS BEEN DENIED ACCESS TO THE AUDIT COMMITTEE

The audit committee framed a policy that provided a formal mechanism for all employees of the company to approach the management of the company and make protective disclosures to the management about unethical behavior, actual or suspected fraud or violation of the company's code of conduct

Company has not denied access to the Audit Committee to any employee of the company.

Our company has been complying with mandatory requirements prescribed under the listing agreement as amended from time to time.

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF THIS CLAUSE

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the Non-mandatory requirements are given at the end of the Report.

DIRECTORS' SHAREHOLDING IN THE COMPANY

Details of shares held by each of the Directors as on March 31, 2013

Name	No of shares held
K. Parvathi	200000
D. Sarojanamma	350000
K. Radha Krishna Reddy	Nil
R. Kamala Mohan	34100
Pavan Srinivas	Nil

ERP SOFT SYSTEMS LIMITED

REMUNERATION POLICY AND CRITERIA OF MAKING PAYMENTS TO DIRECTORS

Presently remuneration policy, compensation committee and criteria of making payments to directors are not required as no remuneration is paid to executive and non-executive directors.

DETAILS OF REMUNERATION TO ALL DIRECTORS

No remuneration is paid to the Directors for the services rendered during the year ended March 31, 2013.

No stock options were granted to any of the Directors during the year ended March 31, 2013.

4 KEY INFORMATION PERTAINING TO DIRECTORS

	K. Parvathi	D. Sarojanamma	K. Radha Krishna Reddy	R. Kamala Mohan
Category	Non-Independent & Executive Director	Non-Independent & Executive Director	Non-Independent & Executive Director	Independent Non-Executive Director
Date of Appointment	16.12.1994	11.11.2011	14.09.2002	31.03.2003
Directorship in other companies	Nil	Nil	Nil	Nil
Chairmanship in committees of board of other companies	Nil	Nil	Nil	Nil
Membership in committees of board of other companies	Nil	Nil	Nil	Nil
No of board meetings attended	5	Nil	5	5
Attendance at the last AGM held on September 27, 2012	Yes	No	Yes	Yes
	PavanSrinivas			
Category	Independent Non-Executive Director			
Date of Appointment	1.7.2008			
Directorship in other companies	Nil			
Chairmanship in committees of board of other companies	Nil			
Membership in committees of board of other companies	Nil			
No of board meetings attended	5			
Attendance at the last AGM held on September 27,2012	N/A			

ERP SOFT SYSTEMS LIMITED

This does not include foreign companies and companies under Section 25 of the Companies Act, 1956

None of the Directors of our Company were members in more than 10 committees nor acted as chairman of more than five committees across all companies in which they were Directors

COMMITTEES OF THE BOARD OF DIRECTORS

Our Board has set up committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for approval.

Audit Committee
Compensation Committee
Shareholders' Grievance Committee

AUDIT COMMITTEE

The constitution of the committee meets the requirements of Section 292A of the companies Act, 1956 as well as clause-49 of the listing Agreement.

Audit Committee reports to the Board of Directors and is primarily responsible for:

- Auditing and accounting matters, including the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment / removal of our independent auditors to the shareholders, fees to be paid to the independent auditors and also approval for payment for any other services.
- Integrity of the Company's financial statements, the scope of the annual audits.
- To review with management the annual financial statements before submission to the board , focusing primarily on:
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - related party transactions, functioning of Whistle Blower mechanism
- Qualifications in draft audit report.
 - Significant adjustment arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchanges and Legal requirements concerning Financial Statements
 - Any related party transactions i.e. transaction of the company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have the potential conflict with the interests of the company at large.
- To review with the management external and internal auditors, the adequacy of Internal control systems which include:
 - Review the performance of the Company's Internal Audit function, Independent Auditors and accounting practices including the structure of internal audit department,

ERP SOFT SYSTEMS LIMITED

staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- To discuss with internal auditors and significant findings and follow up thereon
 - To review the findings of any internal investigations by the internal auditors onto matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board.
 - To discuss with external auditors before the audit commences , nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- To review the company's financial and risk management policies.
 - To look into the reasons for substantial defaults in the payment to the creditors and shareholders in case of dividends.

The Chairman of the Audit Committee is present at the Annual General Meeting.

All members of our Audit Committee are independent Non-Executive Directors and financially literate. The Chairman of our Audit Committee has the accounting or related financial management expertise.

Statutory Auditors as well as Internal Auditors always have independent meetings with the Audit Committee and also participate in the Audit Committee meetings.

Our CEO and Corporate Officers make periodic presentations to the Audit Committee on various issues.

Our Audit Committee met five times during the year ended March 31, 2013 on May 05, 2012, July 30, 2012, October 12, 2012, October 30, 2012 and January 01, 2013. The committee reviews on each meeting the progress and improvement of internal control and financial reporting process.

The composition the Audit Committee and their attendance are given below.

Name	Position	No of meetings held
Mr. Pavan Srinivas	Chairman	5
Mrs. R. Kamala Mohan	Member	5

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders' Grievance Committee is responsible for resolving investor's complaints pertaining to share transfers, non receipt of annual reports, Dividend payments, issue of duplicate share certificates, transmission of shares and other related complaints. The Committee is also empowered to oversee administrative matters like to consider and approve allotment of equity shares pursuant to exercise of stock options, setting up branch offices and other administrative matters as may be required from time to time, etc.

The Chairman of the Committee is an Independent Executive Director.

The Administrative and Shareholders Grievance Committee met five times during the year ended 30 May, 2012, July 30, 2012, October 12, 2012, October 30, 2012, and January 30, 2013,. In addition, the Shareholders' Grievance Committee, once in 15 days, reviews the redresses of shareholders and investor complaints.

Table below provides the composition and attendance of the Shareholders'/Investors' Grievance Committee.

ERP SOFT SYSTEMS LIMITED

Name	Position	No of meetings held
Mrs. Kamala Mohan	Member	5
Mr. PavanSrinivas	Member	5

The status on the shareholder queries and complaints we received during the financial year, and our response to the complaints and the current status of pending queries, if any, is Tabulated in Table below

Description	Received	Replied	Pending
Non receipt of Securities	Nil	Nil	Nil
Non receipt of annual reports	Nil	Nil	Nil
Correction/Revalidation of Dividend Warrants	N.A	N.A	N.A
SEBI/Stock Exchange Complaints	N.A	N.A	N.A
Non receipt of Dividend Warrant	N.A	N.A	N.A
Dematerialization of shares	N.A	N.A	N.A
Surrender and exchange of new share certificates	Nil	Nil	Nil

Mrs. R. Kamala Mohan is the Compliance Officer of the company.

SECRETARIAL AUDIT

A qualified practicing Chartered Accountant has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

COMPLIANCE

The certificate obtained from M/s. Vijayaraghavan and Associates Chartered Accountants of the company attached with this report.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of ERP Soft Systems Limited

We have examined all the relevant records of ERP Soft Systems Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We are certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Agreement. However, the Company has published the results in widely circulated newspapers, instead of sending the half yearly results to each household of the shareholders during the year ended March 31, 2013.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders / Investors Relations Committee.

**For VIJAYARAGHAVAN AND
ASSOCIATES
Chartered Accountants**

**Sd/-
P.B. Vijayaraghavan
Partner
Membership No.: 15103**

Chennai, May 30, 2013.

AUDITORS' REPORT

To the Members of ERP SOFT SYSTEMS LIMITED

We have audited the attached balance sheet of ERP Soft Systems Limited ("the Company") for the year ended March 31, 2013 and the profit and loss account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 ("the Order"), issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in paragraph 1 above, we report that:
 - a) we have 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 appears from our examination of those books;
 - c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31 March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

ERP SOFT SYSTEMS LIMITED

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- ii. in the case of the profit and loss account, the profit of the Company for the year ended March 31, 2013. on that date; and
- iii. in the case of cash flow statement, of the cash flows for the year ended on that date.

**for VIJAYARAGHAVAN AND
ASSOCIATES
Chartered Accountants**

**Sd/-
P.B. Vijayaraghavan
Partner
Membership No.: 15103**

Chennai, May 30, 2013.

Annexure referred to in our report to the members of ERP Soft Systems Limited (“the Company”) for the period March 31, 2013

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner which in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Any discrepancies noticed on such physical verification were not material and have been properly dealt with in books of accounts.
 - c) The fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
 - d) None of the fixed assets have been revalued during the year.
2. The company did not carry any inventory during the year.
3. As informed to us, the Company has neither taken nor given any loan secured or unsecured From / to parties listed under Section 301 and 370 (1-B) of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5.
 - a) In our opinion and according to the information and explanations given to us, the particulars of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, contracts and arrangements entered in the register maintained under Section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The company is not required to maintain books of accounts pursuant to the rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records.
9.
 - a) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income tax, Wealth tax, Sales tax, Excise duty, Customs duty, Service tax, Entry tax and other applicable statutory dues were outstanding as at 31 March 2013 for a period of more than six months from the date they became payable. There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
 - b) There are no disputed Income tax, Wealth tax, Excise duty, Customs duty and Sales and other applicable statutory dues as at 31 March, 2013

ERP SOFT SYSTEMS LIMITED

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of any dues to any financial institution or bank.
12. In our opinion and according to the explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/ society.
14. According to the information and explanations given to us, the Company was trading in shares and securities and proper records have been maintained of the transactions and contracts. The company was making timely entries and the shares and securities were held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the Company have not availed any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to the companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the course of audit.
22. In our opinion and according to the information and explanations given to us, personal expenses have not been charges to revenue.

**For Vijayaraghavan and Associates
Chartered Accountants**

**Sd/-
P.B. Vijayaraghavan
Partner
Membership No.: 15103**

Chennai, May 30, 2013

Financials

ERP Soft Systems Limited
Audited Financial Statements for the year ended
March 31, 2013 prepared in accordance with
Generally Accepted Accounting Principles in India
Indian GAAP (Unconsolidated)

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED

BALANCE SHEET

Balance Sheet as at 31st March, 2013

Particulars	SCHEDULE NO	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	39,600,000	39,600,000
(b) Reserves and Surplus	2	21,058,468	18,487,642
(c) Money received against share warrants	3	0	0
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	0	0
(b) Deferred tax liabilities (Net)	5	16,344	16,816
(c) Other Long term liabilities	6	0	0
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short-term borrowings	8	0	0
(b) Trade payables	9	12,836,117	0
(c) Other current liabilities	10	713,778	527,835
(d) Short-term provisions	11	1,571,732	643,192
Total		75,796,439	59,275,485
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	1,942,042	2,107,849
(b) Non-current investments	13	0	0
(c) Deferred tax assets (net)	14	0	0
(d) Long term loans and advances	15	0	0
(e) Other non-current assets	16	0	0
(2) Current assets			
(a) Current investments	17	71,350,641	53,144,651
(b) Inventories	18		
(c) Trade receivables	19	0	2,175,960
(d) Cash and cash equivalents	20	126,482	555,251
(e) Short-term loans and advances	21	2,376,500	1,291,000
(f) Other current assets	22	774	774
Total		75,796,439	59,275,485

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P.B.Vijayaraghavan
Partner
Membership No.15103

Sd/-
K. Parvathi
Managing Director

Sd/-
D.Sarojanamma
Director

Chennai, May 30, 2013

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED

STATEMENT OF PROFIT AND LOSS

Profit and Loss statement for the year ended 31st March, 2013

Particulars	SCHEDULE NO	31.03.2013	31.03.2012
I. Revenue from operations	23	7,426,832	4,392,851
II. Other Income	24	(43,159)	84,878
III. Total Revenue (I +II)		7,383,673	4,477,729
<i>IV. Expenses:</i>			
Cost of materials consumed	25	0	0
Purchase of Stock-in-Trade	26	0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	0	0
Employee benefit expense	28	1,818,294	1,451,725
Financial costs	29	0	0
Depreciation and amortization expense	30	165,807	165,807
Other expenses	31	1,786,725	1,656,081
Total Expenses		3,770,826	3,273,613
V. Profit before exceptional and extraordinary items and tax	(III - IV)	3,612,847	1,204,116
VI. Exceptional Items	32	0	0
VII. Profit before extraordinary items and tax (V - VI)		3,612,847	1,204,116
VIII. Extraordinary Items	33	0	0
IX. Profit before tax (VII - VIII)		3,612,847	1,204,116
X. Tax expense:			
(1) Current tax		1,192,000	149,504
(2) Income Tax - Previous Year		149,508	600,000
(2) Deferred tax		(472)	(22,253)
XV. Profit/(Loss) for the period		2,570,827	1,676,865
XVI. Earning per equity share:			
(1) Basic		0.65	0.27
(2) Diluted			

**As per our report attached
for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants**

For and on behalf of the Board of Directors

**Sd/-
P.B.Vijayaraghavan
Partner
Membership No.15103**

**Sd/-
K. Parvathi
Managing Director**

**Sd/-
D. Sarojanamma
Director.**

Chennai, May 30, 2013

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED SCHEDULE FORMING PART OF BALANCE SHEET

	(In Rupees)	
	31.03.2013	31.03.2012
SCHEDULE - 1		
Share Capital		
Authorised Share Capital		
4,500,000 equity shares of Rs.10/- each	45,000,000	45,000,000
Issued, subscribed and paid up capital		
3,960,000 equity shares of Rs.10/- each	39,600,000	39,600,000
SCHEDULE - 2		
Reserves and Surplus		
Summary of Reserves and Surpluses		
Balance brought forward from previous year	18,487,642	16,810,777
Profit for the Year	2,570,827	1,676,865
	21,058,468	18,487,642
SCHEDULE - 3		
Money received against share warrants	0	0
SCHEDULE - 4		
Long-term borrowings	0	0
SCHEDULE - 5		
Deferred tax liabilities (Net)	16,344	16,816
SCHEDULE - 6		
(c) Other Long term liabilities	0	0
SCHEDULE - 7		
(d) Long term provisions	0	0
SCHEDULE - 8		
(a) Short-term borrowings	0	0
SCHEDULE - 9		
(b) Trade payables		
Libertycom, LLC	12,836,117	0
SCHEDULE - 10		
(c) Other current liabilities		
Consultancy & Contract Charges Payable		
1) NKG Online Pvt Ltd	286,106	0
2) Ms. S. Brindha	0	127,800
3) Possibillion Software Tech Pvt Ltd	0	400,035
4) Ideative Digial Pvt Ltd	427,672	0
Total Other Current Liabilities	713,778	527,835
SCHEDULE - 11		
(d) Short-term provisions		
Salary Provision	110,200	456,809
Rent Provision	167,500	0
TDS Provision	29,667	36,875
Audit Fee Provision	66,000	
Expenses Provision	6,365	0
Income Tax Provision	1,192,000	149,508
Total Short Term Provisions	1,571,732	643,192

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED

SCHEDULE - 12

(a) Fixed assets

(i) Tangible assets

Furniture & Fixtures	854,260	854,260
Vehicles		
- Hero Honda Bike	35,000	35,000
- Car	627,580	627,580
Office Equipment		
- Air Conditioner	66,501	66,501
Computer & Peripherals	320,470	320,470
Printer	11,438	11,438
Computer Software	1,690,200	1,690,200
Less : Accumulated Depreciation	(1,663,407)	(1,497,600)

Total Fixed Assets	<u>1,942,042</u>	<u>2,107,849</u>
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SCHEDULE - 13

(b) Non-current investments

0	0
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SCHEDULE - 14

(c) Deferred tax assets (net)

0	0
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SCHEDULE - 15

(d) Long term loans and advances

0	0
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SCHEDULE - 16

(e) Other non-current assets

0	0
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SCHEDULE - 17

(a) Current investments

SUBSIDIARY

Equity in Libertycom LLC	2,151,744	2,151,744
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PARTNERSHIP FIRM

ERP Info Systems	53,332,244	34,223,048
Yashasvee Investment Consultants	13,600,000	13,600,000

OTHERS

Unifi Wealth Management Limited (PMS)	601,653	1,669,859
Hamsa KPO Service Pvt Ltd	165,000	0
Sagar Power Pvt. Limited	1,500,000	1,500,000

<u>71,350,641</u>	<u>53,144,651</u>
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SCHEDULE - 18

(b) Inventories

0	0
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SCHEDULE - 19

(c) Trade receivables

Libertycom, LLC	0	2,175,960
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Total Trade receivables	<u>0</u>	<u>2,175,960</u>
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ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED

SCHEDULE - 20

(d) Cash and cash equivalents

Cash at Bank	106,553	552,891
Cash on Hand	19,929	2,360

Total Cash and cash equivalents	<u>126,482</u>	<u>555,251</u>
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SCHEDULE - 21

(e) Short-term loans and advances

- Project Advance - King Maker Technologies	1,000,000	1,000,000
- Advance Staff Loan	26,500	16,000
- Advance Income Tax Paid	1,350,000	275,000

Total Short-term loans and advances	<u>2,376,500</u>	<u>1,291,000</u>
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SCHEDULE - 22

(f) Other current assets

- TDS Receivable	774	774
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Total Other current assets	<u>774</u>	<u>774</u>
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SCHEDULE - 23

I. Revenue from operations

Income from Sales	7,550,366	4,139,871
Foreign Exchange Gain/Loss	(123,534)	252,980

Total Revenue from operations	<u>7,426,832</u>	<u>4,392,851</u>
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SCHEDULE - 24

II. Other Income

Dividend Income	13,057	24,683
Interest Income	7,324	14,413
Gain/Loss on Sale of Shares	(63,540)	45,782

Total Other Income	<u>(43,159)</u>	<u>84,878</u>
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SCHEDULE - 25

Cost of materials consumed	0	0
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SCHEDULE - 26

Purchase of Stock-in-Trade	0	0
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SCHEDULE - 27

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	0	0
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SCHEDULE - 28

Employee benefit expense		
Staff Salary & Bonus	1,762,341	1,427,660
Staff Welfare	55,953	24,065

Total Employee benefit expense	<u>1,818,294</u>	<u>1,451,725</u>
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SCHEDULE - 29

Financial costs	<u>0</u>	<u>0</u>
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ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - ERP SOFT SYSTEMS LIMITED

SCHEDULE - 30

Depreciation and amortization expense

- Furniture & Fittings	9,435	9,435
- Computer Peripherals	12,222	12,222
- Computer Software	75,160	75,160
- Printer	1,747	1,747
- Air-Conditioner	3,578	3,578
- Furniture & Fittings	0	0
- Motor Cycle	3,325	3,325
- Car	60,340	60,340

Total Depreciation

165,807	165,807
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SCHEDULE - 31

Other expenses

Advertisement	11,985	12,485
Audit Fees	56,750	48,100
Bank Service Charges	13,023	438
Communication Expenses	58,103	20,542
Software Expenses	728,345	933,200
Donation	22,000	0
Dues & Subscriptions	0	2,200
Electricity Charges	19,546	14,902
Licenses and other fees	10,956	79,503
Listing Fees	41,572	65,020
Office Maintenance	50,492	26,550
Professional Fees Others	52,500	0
Printing and Stationery	12,900	6,779
Rates & Taxes	2,285	0
Repairs and Maintenance	22,196	1,226
Rent	343,000	210,000
Share Transfer Fees	23,731	26,472
Travelling and Conveyance	232,795	33,992
Professional / Consultancy Fees	59,500	142,500
Investment Expenses	25,046	32,172

1,786,725	1,656,081
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SCHEDULE - 32

VI. Exceptional Items

0	0
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ERP SOFT SYSTEMS LIMITED

FIXED ASSETS (April 2012 to March 2013)

(in Rupees)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As on April 01, 2012	Additions	As on March 31, 2013	As on April 01, 2012	Deprn for the period	As on March 31, 2013	As on March 31, 2013	As on March 31, 2012
Furniture and Fittings	154,260	0	154,260	133,571	9,435	143,006	11,254	20,689
Computer & Peripherals	320,470	0	320,470	202,769	12,222	214,991	105,479	117,701
Computer Software	1,690,200	0	1,690,200	384,718	75,160	459,878	1,230,322	1,305,482
Printer	11,438	0	11,438	2,397	1,747	4,144	7,295	9,042
Air - Conditioner	66,501	0	66,501	7,156	3,578	10,734	55,767	59,345
Furniture & Fittings	700,000	0	700,000	700,000	0	700,000	0	0
Motor Cycle	35,000	0	35,000	6,650	3,325	9,975	25,025	28,350
Car	627,580	0	627,580	60,340	60,340	120,680	506,900	567,240
Total	3,605,449	0	3,605,449	1,497,601	165,807	1,663,408	1,942,042	2,107,849
Previous year - 31st March, 2012	3,602,614	2,835	3,605,449	1,331,794	165,807	1,497,601	2,107,849	2,273,655

ERP SOFT SYSTEMS LIMITED

NOTES TO ACCOUNTS

1. BACKGROUND AND NATURE OF OPERATIONS

ERP Soft Systems Limited ("ERP Soft") was incorporated in India with limited liability on December 16, 1994. The Company is principally engaged in the business of providing information technology solutions and business process outsourcing services. ERP Soft is headquartered in Chennai, India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, in conformity with accounting principles generally accepted in India and complying in all material respects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). The accounting policies applied by the Company are consistent with those used in the previous years. The financial statements are presented in the format specified in Schedule VI to the Act.

The significant accounting policies adopted by the Company, in respect of the financial statements are set out as below:

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed assets, depreciation and amortization

Fixed assets are accounted at cost less accumulated depreciation. The Company capitalizes all direct costs relating to the acquisition and installation of fixed assets.

Depreciation and amortization are computed using straight-line method, at the rates specified in Schedule XIV to the Act or based on the estimated useful life of assets, whichever is higher.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d. Investments

Investments are stated at lower of cost and fair value determined on an individual investment basis.

d. Current assets

Current assets are accounted at lower of cost and market price determined on an individual basis.

e. Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the average rate for the month.

ERP SOFT SYSTEMS LIMITED

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the Profit and Loss Account.

Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the closing rate. The difference arising from the translation is recognized in the Profit and Loss Account.

The Accounting Standard (AS 11) on "The Effects of Changes on Foreign Exchange Rates", amended with effect from April 1, 2004 provides guidance on accounting for forward contracts. In respect of forward contracts entered into to hedge foreign exchange risk of highly probable forecasted transaction, the ICAI has clarified that AS 11 is currently not applicable to exchange differences arising from such forward contracts. The premium or discount of such contracts is amortized over the life of the contract in accordance with AS 11 (revised).

No forward exchange contracts have been entered into by the Company to hedge the foreign currency risk.

f. Revenue recognition

Services:

Revenue from IT services are recognized as services are performed when arrangements are on a time and material basis. Revenue from fixed-price contracts is recognized in accordance with the "Percentage of Completion" method.

Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. If the proportionate completion efforts are higher than the related requiring customer acceptance, revenue is recognized only to the extent customer approval has been received.

Revenue from support and other services is recognized as the related services are performed in accordance with the specific terms of the contract with the customers.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Others:

Profit on sale of investments is recorded upon transfer of title by the Company. It is determined as the difference between the sales price and the then carrying amount of the investment.

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Dividend income is recognized where the Company's right to receive dividend is established.

Export incentives are accounted on accrual basis and include estimated realizable values/benefits from special import licenses and advance licenses.

Other income is recognized on accrual basis. Other income includes unrealized losses on short-term investments.

ERP SOFT SYSTEMS LIMITED

g. Income-tax

Tax expense comprises of current income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The Company enjoys exemption under Section 10A of Income Tax Act, 1961. no provision was necessitated for deferred tax.

h. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the number of shares outstanding during the year. The company has not diluted its shares as on March 31, 2013.

i. Provision and contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

3. SEGMENT INFORMATION

Currently company is fully into IT Services and entire revenues come from United States.

4. Names of related parties and description of relationship

Principal shareholders	D. Sreelatha D. Sivakumar Reddy D. Kowsalyamma K. Parvathi D. Sarojanamma K. Navaneethamma G Satish K. Sivkumar Reddy K. Chandana G. Nagaraju
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Subsidiaries	Libertycom LLC
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Key Managerial Personnel	K. Parvathi, Managing Director
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5. The confirmation from debtors, creditors and parties are pending from respective parties.

6. The previous year's figures have been reclassified or regrouped where ever found necessary to confirm to groupings and classifications of current year

7 Foreign exchange inflows are Rs.224.39 lacs and outflow is Nil during the year.

ERP SOFT SYSTEMS LIMITED

8 Information required under paragraphs 4 & 5 of Part-II schedule VI to the Companies Act, 1956 is not applicable due to the nature of the business carried on during the year.

As per our report attached

for Vijayaraghavan and Associates
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P.B.Vijayaraghavan
Partner
Membership No : 15103

Sd/-
K. Parvathi
Managing Director

Sd/-
D. Sarojamma
Director

Chennai, May 30, 2013.

ERP SOFT SYSTEMS LIMITED

(Rupees in Lakhs)

1. Name of the Subsidiary Company	LIBERTYCOM LLC
2. Financial year of the Subsidiary	Figures for consolidation: March 31, 2013.
3. Holding Company's interest in the Subsidiary	100% Equity
4. Net aggregate amount of the Profits of the Subsidiary not dealt with in the holding Company's Accounts	
a. For the current financial year of the Subsidiary Company	4,958,359/-
b. For the previous financial years of the Subsidiary Company	6,583,537/-
5. Net aggregate amount of the Profits Of the Subsidiary dealt with in the Holding Company's Accounts	
a. For the current financial year of the Subsidiary Company	Nil
b. For the previous financial years of the Subsidiary Company	Nil

AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND ITS SUBSIDIARY LIBERTYCOM LLC

We have audited the attached consolidated balance sheet of ERP Soft Systems Limited ('the Company') and subsidiary for the year ended March 31, 2013, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Liberty Com LLC whose financial statements reflect total assets of Rs.183,337,099/- as at 31 March 2013 and total revenues of Rs.323,612,155/- for the year ended March 31, 2013. These financial statements were furnished by the Management and in our opinion in so far as it relates to the amount included in respect of the Subsidiary is based solely on the statements furnished by the Management and no audited statements furnished to us.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of ERP Soft Systems Limited and its subsidiary Libertycom LLC.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated balance sheet, of the state of affairs of the ERP Soft Systems Limited and its subsidiary Libertycom LLC for the year ended March 31, 2013
- b) in the case of the consolidated profit and loss account, of the profit of the ERP Soft Systems Limited and its subsidiary Libertycom LLC for the year ended on that date; and
- c) In the case of the consolidated cash flow statement, of the cash flows of the ERP Soft Systems Limited and its subsidiary Libertycom LLC for the year ended on that date.

***For Vijayaraghavan and Associates
Chartered Accountants***

***Sd/-
P.B.Vijayaraghavan
Partner
Membership No.: 15103***

Chennai, May 30, 2013.

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES

BALANCE SHEET

Balance Sheet as at 31st March, 2013

Particulars	SCHEDULE NO	Figures as at the end of 31.03.2013	Figures as at the end of 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	39,600,000	39,600,000
(b) Reserves and Surplus	2	69,106,704	63,881,473
(c) Money received against share warrants	3	0	0
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	0	0
(b) Deferred tax liabilities (Net)	5	16,344	16,816
(c) Other Long term liabilities	6		
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short-term borrowings	8		
(b) Trade payables	9	641,003	0
(c) Other current liabilities	10	149,056,880	239,351,425
(d) Short-term provisions	11	1,571,732	149,504
Total		259,992,663	342,999,218
II.Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>	12		
(i) Tangible assets		2,167,317	2,107,849
(b) Non-current investments	13		
(c) Deferred tax assets (net)	14		
(d) Long term loans and advances	15		
(e) Other non-current assets	16		
(2) Current assets			
(a) Current investments	17	226,927,867	276,096,907
(b) Inventories	18		
(c) Trade receivables	19	18,965,412	46,091,453
(d) Cash and cash equivalents	20	6,568,820	4,402,475
(e) Short-term loans and advances	21	5,363,247	14,300,534
(f) Other current assets	22	0	0
Total		259,992,663	342,999,218

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P.B.Vijayaraghavan
Partner
Membership No.15103

Sd/-
K. Parvathi
Managing Director

Sd/-
D. Sarojanamma
Director

Chennai, May 30, 2013

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT AND LOSS

Profit and Loss statement for the year ended 31st March, 2012

Particulars	SCHEDULE NO	31.03.2012	31.03.2011
I. Revenue from operations	23	331,038,987	45,117,706
II. Other Income	24	5,167,185	84,878
III. Total Revenue (I +II)		336,206,172	45,202,584
<i>IV. Expenses:</i>			
Cost of materials consumed	25	0	0
Purchase of Stock-in-Trade	26	0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	0	0
Employee benefit expense	28	22,878,027	13,598,799
Financial costs	29	0	0
Depreciation and amortization expense	30	165,807	165,807
Other expenses	31	304,591,132	23,650,325
Total Expenses		327,634,966	37,414,931
V. Profit before exceptional and extraordinary items and tax	(III - IV)	8,571,206	7,787,653
VI. Exceptional Items	32	0	0
VII. Profit before extraordinary items and tax (V - VI)		8,571,206	7,787,653
VIII. Extraordinary Items	33	0	0
IX. Profit before tax (VII - VIII)		8,571,206	7,787,653
X. Tax expense:			
(1) Current tax		1,192,000	149,504
(2) Deferred tax		(472)	-22,253
(3) Income Tax Previous Year		149,508	600,000
XV. Profit/(Loss) for the period		7,529,186	8,260,402
XVI. Earning per equity share:			
(1) Basic		1.90	2.09
(2) Diluted			

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

Sd/-
P.B.Vijayaraghavan
Partner
Membership No.15103

Chennai, May 30, 2013

For and on behalf of the Board of Directors

Sd/-
K. Parvathi
Managing Director

Sd/-
D. Sarojanamma
Director

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES SCHEDULE FORMING PART OF BALANCE SHEET

	(In Rupees)	
SCHEDULE - 1	<u>31.03.2013</u>	<u>31.03.2012</u>
Share Capital		
Authorised Capital		
4,500,000 equity shares of Rs.10/- each	<u>45,000,000</u>	<u>45,000,000</u>
Issued, subscribed and paid up capital		
3,960,000 equity shares of Rs.10/- each	<u>39,600,000</u>	<u>39,600,000</u>
SCHEDULE - 2		
Reserves and Surplus		
SCHEDULE 2 - RESERVES AND SURPLUSES		
Translation Reserve		
Balance brought forward from previous period	6,721,923	1,693,937
Additions/(Deletions)	<u>2,592,332</u>	<u>5,027,986</u>
Currency Translation Reserve	<u>9,314,255</u>	<u>6,721,923</u>
Profit and Loss Account		
Balance brought forward from previous year	57,868,522	49,608,120
Profit for the year	<u>7,529,186</u>	<u>8,260,402</u>
Balance carried forward	<u>65,397,708</u>	<u>57,868,522</u>
Summary of Reserves and Surpluses		
Balance brought forward from previous year	63,881,473	50,593,085
Additions	5,225,231	13,288,388
Deletions	0	0
Balance Carried Forward	<u>69,106,704</u>	<u>63,881,473</u>
SCHEDULE - 3		
Money received against share warrants	0	0
SCHEDULE - 4		
Long-term borrowings	0	0
SCHEDULE - 5		
Deferred tax liabilities (Net)	16,344	16,816
SCHEDULE - 6		
(c) Other Long term liabilities	0	0
SCHEDULE - 7		
(d) Long term provisions	0	0
SCHEDULE - 8		
(a) Short-term borrowings	0	0
SCHEDULE - 9		
(b) Trade payables	0	0
Libertycom, LLC	641,003	0

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES

SCHEDULE - 10

(c) Other current liabilities

Accounts Payable	147,230,732	5,184,062
Credit Cards Outstanding	41,014	129,274
Shiva Duvvuru Checking Account	1,930,820	1,183,610
Other Current Liabilities	(859,464)	232,326,644
Consultancy & Contract Charges Payable		
NKG Online Pvt Ltd	286,106	0
Ms. S. Brindha	0	127,800
Possibillion Software Tech Pvt Ltd	0	400,035
Ideative Digital Pvt Ltd	427,672	

Total Other Current Liabilities

149,056,880	239,351,425
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SCHEDULE - 11

(d) Short-term provisions

Provision for Income Tax	1,192,000	149,504
Other Provisions	379,732	0
	1,571,732	149,504

SCHEDULE - 12

(a) Fixed assets

(i) Tangible assets

Furniture & Fixtures	854,260	854,260
Vehicles		
- Hero Honda Bike	35,000	35,000
- Car	627,580	627,580
Office Equipment		
- Air Conditioner	66,501	66,501
Computer & Peripherals	8,080,930	8,080,930
Printer	11,438	11,438
Computer Software	1,996,079	1,690,200
Less : Accumulated Depreciation	(9,504,471)	(9,258,060)

Total Fixed Assets

2,167,317	2,107,849
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SCHEDULE - 13

(b) Non-current investments

0	0
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SCHEDULE - 14

(c) Deferred tax assets (net)

0	0
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SCHEDULE - 15

(d) Long term loans and advances

0	0
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SCHEDULE - 16

(e) Other non-current assets

0	0
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SCHEDULE - 17

(a) Current investments

0	0
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SUBSIDIARY

PARTNERSHIP FIRM

ERP Info Systems	53,332,244	34,223,048
Yashavee Investment Consultants	13,600,000	13,600,000
Protech Hedge Fund	157,728,970	225,104,000

OTHERS

Unifi Wealth Management Limited (PMS)	601,653	1,669,859
Hamsa KPO Service Pvt Ltd	165,000	
Sagar Power Pvt. Limited	1,500,000	1,500,000
	226,927,867	276,096,907

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES

SCHEDULE - 18

(b) Inventories

SCHEDULE - 19

(c) Trade receivables

Accounts Receivable	18,965,412	43,915,493
Libertycom, LLC	0	2,175,960
Total Receivable	<u>18,965,412</u>	<u>46,091,453</u>

SCHEDULE - 20

(d) Cash and cash equivalents

Cash on hand	6,370,262	160,151
Cash at Scheduled Bank	198,558	4,242,325
Total Cash & Cash equivalents	<u>6,568,820</u>	<u>4,402,475</u>

SCHEDULE - 21

(e) Short-term loans and advances

Advances : Staff Loan	135,279	118,320
Advances : Kingmaker Technologies	1,000,000	8,610,050
Advance Income Tax	1,350,000	275,000
TDS Receivable	774	774
Tax Planning International	48,950	2,604,044
Advances Others	2,828,244	2,692,346
Total Short term Loans & advance	<u>5,363,247</u>	<u>14,300,534</u>

SCHEDULE - 22

(f) Other current assets

0	0
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SCHEDULE - 23

I. Revenue from operations

Sales & Consulting Income	331,038,987	45,117,706
Total Revenue from Operations	<u>331,038,987</u>	<u>45,117,706</u>

SCHEDULE - 24

II. Other Income

Interest Income	13,057	14,413
Income from Capital Gains	7,324	45,782
Dividend Income	(63,540)	24,683
Other Income	5,210,345	0
		0
	<u>5,167,185</u>	<u>84,878</u>

SCHEDULE - 25

Cost of materials consumed	0	0
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SCHEDULE - 26

Purchase of Stock-in-Trade	0	0
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SCHEDULE - 27

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	0	0
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ERP SOFT SYSTEMS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES

SCHEDULE - 28

Employee benefit expense		
Staff Salary & Bonus	22,822,074	13,574,734
Staff Welfare	55,953	24,065
Total Employee benefit expense	<u>22,878,027</u>	<u>13,598,799</u>

SCHEDULE - 29

Financial costs	0	0
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SCHEDULE - 30

Depreciation and amortization expense		
- Furniture & Fittings	9,435	9,435
- Computer Peripherals	12,222	12,222
- Computer Software	75,160	75,160
- Printer	1,747	1,747
- Air-Conditioner	3,578	3,578
- Furniture & Fittings	0	0
- Motor Cycle	3,325	3,325
- Car	60,340	60,340
Total Depreciation	<u>165,807</u>	<u>165,807</u>

SCHEDULE - 31

Other expenses		
Advertisement	11,985	14,554
Audit Fees	56,750	48,100
Automobile Expenses	10,914	1,234
Bank Service Charges	122,959	29,687
Bad Debts	0	222,061
Books and Periodicals	29,160	28,268
Contract Charges	298,535,930	17,944,762
Communication Expenses	324,017	244,917
Client Reimbursement	374,014	50,891
Credit Card Expenses	33,664	138,014
Dues and Subscriptions	0	64,776
Donation	24,176	24,918
Electricity Charges	19,546	14,902
Insurance	121,334	437,557
Licenses and other fees	10,956	377,901
Listing Fees	41,572	65,020
Miscellaneous	178,347	718,872
Office Maintenance	50,492	30,873
Professional Fees	715,951	385,933
Office Supplies	30,769	6,779
Repairs and Maintenance	58,332	38,782
Rent	705,425	210,000
Software & Web Development Charges	85,706	62,315
Small Equipment	139,754	17,894
Share Transfer Expenses	23,731	26,472
Travelling and Conveyance	2,473,488	2,305,379
Taxes	272,050	-59
Website	95,041	107,351
Training Expenses	20,023	0
Investment Expenses	25,046	32,172
	<u>304,591,132</u>	<u>23,650,325</u>

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	(Rupees in Lakhs)	
	Mar-13	Mar-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	85.71	77.88
Adjustments:		
Depreciation	1.65	1.65
Preliminary & Deferred revenue expenditure	0.00	0.00
(Profit/Loss on Sale of Fixed Assets (Net)	0.00	0.00
Intrest Paid	0.00	0.00
Operating Profit before working capital	87.36	79.53
Working Capital Changes :	0.00	0.00
Trade and Other receivables	235.24	(68.46)
Loans and Advances	89.37	(59.38)
Trade and Other payables	(882.00)	234.26
	(470.03)	185.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and advance on Capital account		
Increase/Decrease in Investments	491.69	(179.33)
Net Cash used in Investing activities	491.69	(179.33)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Process from issue of share capital	0.00	0.00
Share Premium	0.00	0.00
Subsidy received	0.00	0.00
Application money pending payment	0.00	0.00
Proceeds from borrowings (Net)	0.00	0.00
Preliminary issue expenditure	0.00	0.00
Dividend paid	0.00	0.00
Net cash from Financing activities	0.00	0.00
Net Increase in cash and cash equivalents during the period	21.66	6.62
Cash and cash equivalents at the beginning of the period	44.02	37.40
Cash and cash equivalents at the end of the period	65.68	44.02

CONSOLIDATED FINANCIAL STATEMENTS OF ERP SOFT SYSTEMS LIMITED AND SUBSIDIARIES

SCHEDULE 8 – NOTES TO ACCOUNTS

Company overview

ERP Soft Systems Limited (ERP Soft), together with its subsidiary is a growing India based provider of IT Services and Business Process Outsourcing (BPO) services. ERP Soft Systems is headquartered in Chennai, India.

1. Significant accounting policies

i. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accruals basis. GAAP comprise pronouncements of the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

ii. Principles of consolidation

The consolidated financial statements include the financial statements of ERP Soft Systems and its subsidiary is 100% owned.

The financial statements of the parent company and its subsidiary have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all inter-company balances/transactions and resulting unrealized gain/loss.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

iv. Fixed assets and intangible assets

Fixed assets are stated at historical cost less accumulated depreciation.

Interest on borrowed money allocated to and utilized for qualifying fixed assets, pertaining to the period up to the date of capitalization is capitalized. Assets acquired on direct finance lease are capitalized at the gross value and interest thereon is charged to Profit and Loss Account.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

v. **Investments**

Long term investments (other than investments in affiliates) are stated at lower of cost or market value less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is of other than temporary nature. Short term investments are valued at lower of cost and net realizable value.

vi. **Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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.

vii **Revenue recognition**

Services:

Revenue from IT services are recognized as services are performed when arrangements are on a time and material basis Revenue from fixed-price contracts is recognized in accordance with the "Percentage of Completion" method.

Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. If the proportionate completion efforts are higher than the related requiring customer acceptance, revenue is recognized only to the extent customer approval has been received.

Revenue from support and other services is recognized as the related services are performed in accordance with the specific terms of the contract with the customers.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Others:

Profit on sale of investments is recorded upon transfer of title by the Company. It is determined as the difference between the sales price and the then carrying amount of the investment.

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Dividend income is recognized where the Company's right to receive dividend is established.

Export incentives are accounted on accrual basis and include estimated realizable values/benefits from special import licenses and advance licenses.

Other income is recognized on accrual basis. Other income includes unrealized losses on short-term investments.

viii **Foreign currency transactions**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the average rate for the month.

Transaction:

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the Profit and Loss Account.

Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the closing rate. The difference arising from the translation is recognized in the Profit and Loss Account.

The Accounting Standard (AS 11) on "The Effects of Changes on Foreign Exchange Rates", amended with effect from April 1, 2004 provides guidance on accounting for forward contracts. In respect of forward contracts entered into to hedge foreign exchange risk of highly probable forecasted transaction, the ICAI has clarified that AS 11 is currently not applicable to exchange differences arising from such forward contracts. The premium or discount of such contracts is amortized over the life of the contract in accordance with AS 11 (revised).

In respect of forward exchange contracts entered into by the Company to hedge the foreign currency risk, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. The Company uses foreign currency option contracts to hedge its exposure to movement in foreign exchange rates. Any profit or loss arising on settlement or expiry of option contracts is recognized as income or expense for the year.

Integral operations:

In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the Profit and Loss Account are translated at the average exchange rate during the period. The differences arising out of the translation is recognized in the Profit and Loss Account.

Non-integral operations:

In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the Profit and Loss Account are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to translation reserve.

ix. **Depreciation and Amortization**

Depreciation is provided on straight line method at rates not lower than rates specified in Schedule XIV to the Companies Act, 1956. In some cases, assets are depreciated at the rates which are higher than Schedule XIV rates to reflect the economic life of asset. Management estimates the useful life of various assets as follows:

Fixed assets individually costing Rs. 3,000/- or less are depreciated at 100%.

x. **Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

xi. **Research and development**

Revenue expenditure on research and development is charged to Profit and Loss Account and capital expenditure is shown as addition to fixed assets.

xii. **Income tax & Fringe benefit tax**

The current charge for income taxes is calculated in accordance with the relevant tax regulations.

Deferred tax assets and liabilities are not recognized for the future tax consequences that result between the profit offered for income taxes and the profit as per the financial statements of the Company.

Fringe benefit tax:

The Fringe Benefit Tax (FBT) is accounted for in accordance with the guidance note on accounting for fringe benefits tax issued by the ICAI. The provision for FBT is reported under income taxes.

xiii. **Earnings per share**

Basic:

The number of shares used in computing basic earnings per share is the number of shares outstanding during at the balance sheet date.

xiv. **Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2. **Reserves**

The amount standing to the credit of profit and loss account is after adjustment of brought forward accumulated losses and balance is retained in the profit and loss account.

3. The Company has a 100% equity interest in Libertcom LLC, a subsidiary of ERP Soft and consolidation of financial statements are carried out as per equity method in terms of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

5. The equity shares outstanding for the year ended March 31, 2012 used in calculating basic earnings per share is set out below

ERP SOFT SYSTEMS LIMITED

	2013	2012
Equity shares outstanding	3,960,000	3,960,000
Share held by a controlled trust	0	0
Equity shares for computing basic EPS	3,960,000	3,960,000
Net income considered for computing basic EPS (Rs. in Lacs)		

5. The list of subsidiaries is given below:

Direct Subsidiaries	Step Subsidiaries	Country of Incorporation
Libertycom LLC	-	USA

The above direct subsidiary is 100% held by the Company.

6. The related parties are:

Name	Nature	% of holding
D. Sreelatha	Promoter and Principal Shareholder	8.33
D. Sivakumar Reddy	Promoter and Principal Shareholder	8.08
D.Kowsalyamma	Promoter and Principal Shareholder	5.05
K. Parvathi	Managing Director	5.05
D. Sarojanamma	Promoter and Principal Shareholder	8.84
K. Navaneethamma	Principal Shareholder	5.05
K. Sivkumar Reddy	Principal Shareholder	1.89
G. Satish	Principal Shareholder	4.96
K. Chandana	Principal Shareholder	1.89
G. Nagaraju	Principal Shareholder	1.87

ERP SOFT SYSTEMS LIMITED

in Rupees)

Particulars		
	2013	2012
Revenues		
IT Services	331,038,987	45,117,706
TOTAL	331,038,987	45,117,706
Profit before Interest and Tax - PBIT		
IT Services	8,571,206	7,787,653
BPO Services	0	0
TOTAL		
Interest, Dividend & Profit on sale of investments - Net		
Profit Before Tax	8,571,206	7,787,653
Income Tax expense including Deferred Tax	13,41,036	7,27,251
Profit before Share in earnings of Associates and minority interest		
Share in earnings of associates	0	0
Minority interest	0	0
PROFIT AFTER TAX	7,529,186	8,260,402
Shareholder's Funds		
IT Services	0	0
BPO Services	0	0
Corporate		
TOTAL	256,981,794	342,999,218

Notes:

- a. The segment report of ERP Soft Systems Limited and its consolidated subsidiary has been prepared in accordance with the Accounting Standard 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India.
- b. Segment revenue includes all allocable other income and exchange differences which are reported in other income/general & administrative expenses in the financial statements.
- c. The Company geographic segment is USA. Revenue from geographic segments based on domicile of the customers is outlined below:

ERP SOFT SYSTEMS LIMITED

(Rs. In Lakhs)

Regions	March 2013		March 2012	
		%		%
USA	3,362.06	100%	452.02	100%
Europe	0	0%	0	0%
Rest of the world	0	0%		0%
Total	3,362.06	100%	452.02	100%

- d. For the purpose of reporting, business segments are considered as primary segments and geographic segments are considered as secondary segment.
- e. Corresponding figures for previous periods presented have been regrouped, where necessary, to confirm to the current period classification.
8. Increase in other income is as a result of increase in value of investments and reversal for the provision made for the fall in the earlier year.
9. The confirmation from Debtors, Creditors and other parties are pending from the respective parties

As per our report attached**for Vijayaraghavan and Associates
Chartered Accountants****Sd/-
P.B. Vijayaraghavan
Partner
Membership No : 15103****Chennai , May, 30, 2013.****For and on behalf of the Board of Directors****Sd/-
K. Parvathi
Managing Director** **Sd/-
D. Sarojamma
Director**

FINANCIAL STATEMENTS - LIBERTYCOM LLC

BALANCE SHEET

Balance Sheet as at 31st March, 2013

Particulars	SCHEDULE NO	Figures as at the end of 31.03.2013	Figures as at the end of 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,151,744	2,151,744
(b) Reserves and Surplus	2	48,048,236	45,410,567
(c) Money received against share warrants	3	0	0
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	0	0
(b) Deferred tax liabilities (Net)	5	0	0
(c) Other Long term liabilities	6	0	0
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short-term borrowings	8	0	0
(b) Trade payables	9	(12,195,114)	0
(c) Other current liabilities	10	148,343,102	238,313,167
(d) Short-term provisions	11	0	0
Total		186,347,968	285,875,478
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	225,275	0
(b) Non-current investments	13	0	0
(c) Deferred tax assets (net)	14	0	0
(d) Long term loans and advances	15	0	0
(e) Other non-current assets	16	0	0
(2) Current assets			
(a) Current investments	17	157,728,970	225,104,000
(b) Inventories	18		
(c) Trade receivables	19	18,965,412	43,915,493
(d) Cash and cash equivalents	20	6,442,338	3,847,225
(e) Short-term loans and advances	21	2,985,973	13,008,760
(f) Other current assets	22	0	0
Total		186,347,968	285,875,478

STATEMENT OF PROFIT AND LOSS

Profit and Loss statement for the year ended 31st March, 2013

Particulars	SCHEDULE NO	31.03.2013	31.03.2012
I. Revenue from operations	23	323,612,155	40,724,855
II. Other Income	24	5,210,345	0
III. Total Revenue (I +II)		328,822,500	40,724,855
<i>IV. Expenses:</i>			
Cost of materials consumed	25	0	0
Purchase of Stock-in-Trade	26	0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	0	0
Employee benefit expense	28	21,059,733	12,147,074
Financial costs	29	0	0
Depreciation and amortization expense	30	0	0
Other expenses	31	302,804,407	21,994,244
Total Expenses		323,864,140	34,141,318
V. Profit before exceptional and extraordinary items and tax	(III - IV)	4,958,359	6,583,537
VI. Exceptional Items	32	0	0
VII. Profit before extraordinary items and tax (V - VI)		4,958,359	6,583,537
VIII. Extraordinary Items	33	0	0
IX. Profit before tax (VII - VIII)		4,958,359	6,583,537
X. Tax expense:			
(1) Current tax		0	0
(2) Income Tax - Previous Year		0	0
(2) Deferred tax		0	0
XV. Profit/(Loss) for the period		4,958,359	6,583,537

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - LIBERTYCOM LLC

SCHEDULE FORMING PART OF BALANCE SHEET

	(In Rupees)	
SCHEDULE - 1	31.03.2013	31.03.2012
SHARE CAPITAL		
ERP Soft Systems Limited	2,151,744	2,151,744
SCHEDULE - 2		
RESERVES & SURPLUS		
Profit and Loss Account		
Balance brought forward from previous year	38,917,130	32,333,593
Profit for the year	4,958,359	6,583,537
Balance carried forward	43,875,490	38,917,130
Currency Translation Reserve		
Balance brought forward from previous period	6,493,536	1,465,551
Additions	2,456,511	4,714,260
Additions/Deletions (Capital)	135,821	313,726
Currency Translation Reserve	9,085,868	6,493,536
Summary of Reserves and Surpluses		
Balance brought forward from previous year	45,410,567	33,799,044
Additions	2,501,848	11,297,797
Deletions	135,821	313,726
Balance Carried Forward	48,048,236	45,410,567
SCHEDULE - 3		
Money received against share warrants	0	0
SCHEDULE - 4		
Long-term borrowings	0	0
SCHEDULE - 5		
Deferred tax liabilities (Net)	0	0
SCHEDULE - 6		
(c) Other Long term liabilities	0	0
SCHEDULE - 7		
(d) Long term provisions	0	0
SCHEDULE - 8		
(a) Short-term borrowings	0	0
SCHEDULE - 9		
(b) Trade payables	(12,195,114)	0

ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - LIBERTYCOM LLC

SCHEDULE - 10

(c) Other current liabilities

Contract & Consultancy Charges Payable	147,230,732	4,690,374
Credit Cards Outstanding	41,014	129,274
Shiva Duvvuru Checking Account	1,930,820	1,183,610
Other Current Liabilities	(859,464)	232,309,909

Total Other Current Liabilities	148,343,102	238,313,167
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SCHEDULE - 11

(d) Short-term provisions

0	0
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Total Short Term Provisions	0	0
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SCHEDULE - 12

(a) Fixed assets

(i) Tangible assets

Computer Software	305,879	7,760,460
Less : Accumulated Depreciation	(80,604)	(7,760,460)

Total Fixed Assets	225,275	0
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SCHEDULE - 13

(b) Non-current investments

0	0
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SCHEDULE - 14

(c) Deferred tax assets (net)

0	0
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SCHEDULE - 15

(d) Long term loans and advances

0	0
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SCHEDULE - 16

(e) Other non-current assets

0	0
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SCHEDULE - 17

(a) Current investments

Protech Hedge Fund	157,728,970	225,104,000
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157,728,970	225,104,000
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SCHEDULE - 18

(b) Inventories

0	0
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SCHEDULE - 19

(c) Trade receivables

Accounts Receivable	18,965,412	43,915,493
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Total Trade receivables	18,965,412	43,915,493
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ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - LIBERTYCOM LLC

SCHEDULE - 20

(d) Cash and cash equivalents

Cash at Bank	6,263,709	3,689,434
Cash on Hand	178,629	157,791

Total Cash and cash equivalents	6,442,338	3,847,225
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SCHEDULE - 21

(e) Short-term loans and advances

- Project Advance - King Maker Technologies	0	7,610,050
- Advance Tax Planning International	48,950	2,604,044
- Advance Others	2,828,244	2,692,346
- Payroll Advances	108,779	102,320

Total Short-term loans and advances	2,985,973	13,008,760
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SCHEDULE - 22

(f) Other current assets

0	0
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SCHEDULE - 23

I. Revenue from operations

Income from Sales	323,612,155	40,724,855
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Total Revenue from operations	323,612,155	40,724,855
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SCHEDULE - 24

II. Other Income

5,210,345	0
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Total Other Income	5,210,345	0
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SCHEDULE - 25

Cost of materials consumed	0	0
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SCHEDULE - 26

Purchase of Stock-in-Trade	0	0
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SCHEDULE - 27

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	0	0
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SCHEDULE - 28

Employee benefit expense

Staff Salary & Bonus	21,059,733	12,147,074
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Total Employee benefit expense	21,059,733	12,147,074
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SCHEDULE - 29

Financial costs	0	0
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ERP SOFT SYSTEMS LIMITED

FINANCIAL STATEMENTS - LIBERTYCOM LLC

SCHEDULE - 30

Depreciation and amortization expense

- Computer Software	0	0
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Total Depreciation	0	0
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SCHEDULE - 31

Other expenses

Automobile Expenses	10,914	1,234
Contract Charges	297,807,585	17,011,562
Advertising Expenses	0	2,069
Bank Charges	64,856	29,249
Books and Periodicals	29,160	28,268
Bad Debts	0	222,061
Credit Card Expenses	33,664	138,014
Client Reimbursement	374,014	50,891
Dues and Subscriptions	0	62,576
Donation	0	24,918
Gifts	2,176	0
Insurance	121,334	437,557
Miscellaneous Expenses	176,062	718,872
Office Supplies & Small Equipments	12,722	4,323
Postage and Delivery	5,147	3,189
Professional Charges	603,951	243,433
Rent	362,425	0
Repairs	36,136	37,556
Small Equipment	139,754	17,894
Software Purchase Miscellaneous	85,706	62,315
Licenses & Permits	0	298,398
Taxes	272,050	-59
Telephones & Internet	265,914	221,186
Travel	2,285,773	2,271,387
Training Expenses	20,023	0
Website	95,041	107,351
	<hr/>	<hr/>
	302,804,407	21,994,244

SCHEDULE - 32

VI. Exceptional Items	0	0
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FORM OF PROXY

I/ we _____ of _____ in
the district of _____ being a member / members of the
above named company, hereby appoint
of

_____ in the district of _____
or failing him/her _____ of _____
in the district of _____ as my / our proxy to attend and vote for me/us and
my/our behalf at the Annual General Meeting of the company to be held at the Head office of the
company, No. A Block 21, 4th Street Anna Nagar Chennai 600 102 on Friday, September 27, 2013 at
10.00 am and at my adjournment thereof.

Signed this _____ day of _____ 2013.

Signature/s _____

Ledger Folio No. _____ DPID _____ Client ID

No of Shares held _____

- Note: 1. the proxy need not be a member
2. The proxy form duly signed across Re. 1/- revenue stamp should reach the registered office of the company not less than 48 hours before the time fixed for the meeting

Affix Re . 1/- Revenue Stamp

ATTENDANCE SLIP

ERP Soft Systems Limited
A Block 21, 4th Street Anna Nagar Chennai – 600 102.

I hereby record my presence at the Eighteenth Annual General Meeting of the Company to be held on Friday September 27, 2013 at 10 a.m. at. No A Block 21, 4th Street Anna Nagar Chennai – 600 102.

Full name of the member _____
(In block letters)

Ledger Folio No _____ DPID _____ Client ID _____

Number of shares held _____

Signature of member or proxy attending _____

Full name of the proxy _____
(In block letters)

Please give full name of the 1st Joint Holder

Mr./Mrs./Miss _____

Note: Please fill in the attendance slip and hand it over at the ENTRANCE OF THE HALL.