



ERP SOFT SYSTEMS LIMITED

**22nd
ANNUAL REPORT
2015-2016**

ERP SOFT SYSTEMS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|-------------------------------|--|
| 1. Mrs. K. Parvathi Reddy | - Managing Director (DIN: 00827258) |
| 2. Mrs. D. Sarojanamma | - Whole-time Director (DIN: 05208974) |
| 3. Mrs. D. Kowsalyamma | - Whole-time Director (DIN: 00908641) |
| 4. Mr. K. Radha krishna Reddy | - Director & CFO (DIN: 02634480) |
| 5. Mr. P.V. Srinivasa Rao | - Independent Director (DIN: 02280725) |
| 6. Mrs. R. Kamala Mohan | - Independent Director (DIN: 02596829) |

COMPANY SECRETARY

Mrs. P. Shivaleela Reddy

REGISTERED OFFICE

ERP Soft Systems Limited
A-21, Anna Nagar
Chennai 600 102, India
Ph: +91 73388 55022
info@erpsoft.com

USA:

LibertyCom LLC
124, West Capitol, Suite # 712
Little Rock, Arkansas 72201, USA
info@libertycom.com
Phone 501-960-3302

CORPORATE IDENTITY NUMBER

L67120TN1994PLC029563

AUDITORS

M/s. Vijayaraghavan & Associates,
Chartered Accountants,
51, Giri Road,
T.Nagar, Chennai - 600 017

INTERNAL AUDITORS

M/s Ashok Golechha & Co,
Chartered accountants,
No.33, Clemens Road,
1st Floor, Purasaiwalkam,
Chennai - 600 007

ERP SOFT SYSTEMS LIMITED

BANKERS

ICICI Bank Limited
T.Nagar Branch, Bazullah Road
Chennai – 600 017

AUDIT COMMITTEE

- | | | |
|------------------------------|---|----------|
| 1) Mr. P.V. Srinivasa Rao | - | Chairman |
| 2) Mrs. R. Kamala Mohan | - | Member |
| 3) Mr. K. Radhakrishna Reddy | - | Member |

NOMINATION & REMUNERATION COMMITTEE

- | | | |
|---------------------------|---|----------|
| 1) Mrs. R. Kamala Mohan | - | Chairman |
| 2) Mr. P.V. Srinivasa Rao | - | Member |
| 3) Mrs. D. Kowsalyama | - | Member |

STAKEHOLDER RELATIONSHIP COMMITTEE

- | | | |
|------------------------------|---|----------|
| 1) Ms. R. Kamala Mohan | - | Chairman |
| 2) Mr. P.V. Srinivasa Rao | - | Member |
| 3) Mr. K. Radhakrishna Reddy | - | Member |

INDEPENDENT DIRECTORS COMMITTEE

- | | | |
|---------------------------|---|----------|
| 1) Ms. R. Kamala Mohan | - | Chairman |
| 2) Mr. P.V. Srinivasa Rao | - | Member |

RISK MANAGEMENT COMMITTEE

- | | | |
|-------------------------|---|----------|
| 1) Mrs. R. Kamala Mohan | - | Chairman |
| 2) Mrs. D. Sarojanamma | - | Member |
| 3) Mrs. D. Kowsalyamma | - | Member |

REGISTRAR & SHARE TRANSFER AGENTS

Aarhi Consultants Private Limited
1-2-285, Domalguda
Hyderabad – 500029
Tel No.: 04027638111/27634445
Fax: 040-27632184
E-mail: aarhiconsultants@gmail.com

- | | | |
|----------------------------------|---|--------------------------|
| <u>LISTED AT</u> | : | BSE Limited |
| <u>ISIN</u> | : | INE308B01017 |
| <u>WEBSITE</u> | : | www.erpsoft.com |
| <u>INVESTOR E-MAIL ID</u> | : | investorcare@erpsoft.com |

ERP SOFT SYSTEMS LIMITED

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Shareholders of M/s. ERP Soft Systems Limited will be held on Thursday, 29th day of September, 2016 at 11:00 A.M. at the Registered Office of the Company at A21 Anna Nagar, Chennai - 600102 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement (including consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. K. Parvathi Reddy (DIN00827258) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. Vijayaraghavan and Associates, Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at remuneration as may be fixed by the Board.

SPECIAL BUSINESS:

4. REAPPOINTMENT OF MRS K. PARVATHI REDDY AS MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196,197,198,203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution/s passed by the shareholders in earlier general meeting/s, and subject to the approval of Members in Annual General Meeting, Mrs. K. Parvathi Reddy is re-appointed as Managing Director of the Company for a period of three years with effect from 12th August, 2016 with a remuneration of Rs. 1,00,000 per month.

RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, and Allowances etc. within such prescribed limits.

Adequate Profits:

Where in any Financial Year, during the tenure of Mrs. K. Parvathi Reddy, the Company has adequate profits; the Company shall pay to Mrs. K. Parvathi Reddy, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

RESOLVED FURTHER THAT the any of the Director be and is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.

5. REAPPOINTMENT AND CONTINUATION OF MRS D. SAROJANAMMA AS WHOLETEIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196,197,198,203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution/s passed by the shareholders in earlier general meeting/s, and subject to the approval of Members in Annual General Meeting, Mrs. D. Sarojanamma is re-appointed as whole-time director of the Company for a period of three years with effect from 12th August, 2016 with a remuneration of Rs. 50,000 per month.

"RESOLVED FURTHER THAT pursuant to Schedule V Part I (c) the consent of the Shareholders be and is hereby accorded for continuation of Mrs. D. Sarojanamma, Whole time Director of the Company as per terms and conditions specified in the resolution even though she has attained the age of seventy years and shall be entitled to the remuneration as passed in the above said resolution."

ERP SOFT SYSTEMS LIMITED

RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, and Allowances etc. within such prescribed limits.

Adequate Profits:

Where in any Financial Year, during the tenure of Mrs. D. Sarojanamma, the Company has adequate profits; the Company shall pay to Mrs. D. Sarojanamma, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

RESOLVED FURTHER THAT the any of the Director be and is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard."

6. REAPPOINTMENT AND CONTINUATION OF MRS D. KOWSALYAMMA AS WHOLETEIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196,197,198,203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution/s passed by the shareholders in earlier general meeting/s, and subject to the approval of Members in Annual General Meeting, Mrs. D. Kowsalyamma is re-appointed as Whole-Time Director of the Company for a period of three years with effect from 12.08.2016 with a remuneration of Rs. 50,000 per month.

"RESOLVED FURTHER THAT pursuant to Schedule V Part I (c) the consent of the Shareholders be and is hereby accorded for continuation of Mrs. D. Kowsalyamma, Whole time Director of the Company as per terms and conditions specified in the resolution even though she has attained the age of seventy years and shall be entitled to the remuneration as passed in the above said resolution."

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“RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, and Allowances etc. within such prescribed limits. “

Adequate Profits:

Where in any Financial Year, during the tenure of Mrs. D. Kowsalyamma, the Company has adequate profits; the Company shall pay Mrs. D. Kowsalyamma, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

RESOLVED FURTHER THAT the any of the Director be and is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard."

7. REAPPOINTMENT AND CONTINUATION OF MR. K. RADHAKRISHNA REDDY AS WHOLETIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196,197,198,203 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company and in supersession of the earlier resolution/s passed by the shareholders in earlier general meeting/s, and subject to the approval of Members in Annual General Meeting, Mr. K. Radhakrishna Reddy is re-appointed as Whole-Time Director cum CFO of the Company for a period of three years with effect from 12.08.2016 with a remuneration of Rs. 50,000 per month.

"RESOLVED FURTHER THAT pursuant to Schedule V Part I (c) the consent of the Shareholders be and is hereby accorded for continuation of Mr. K. Radhakrishna Reddy, Whole time Director cum CFO of the Company as per terms and conditions specified in the resolution even though she has attained the age of seventy years and shall be entitled to the remuneration as passed in the above said resolution."

ERP SOFT SYSTEMS LIMITED

“RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and hereby authorized to vary or increase the remuneration including Basic Salary, Commission, Perquisites, and Allowances etc. within such prescribed limits. “

Adequate Profits:

Where in any Financial Year, during the tenure of Mr. K. Radhakrishna Reddy, the Company has adequate profits; the Company shall pay Mr. K. Radhakrishna Reddy, remuneration by way of Basic Salary, Commission, Perquisites and Allowance exceeding the amount approved by the Central Government and Which shall not exceed the limits prescribed from time to time under sections 196, 197, 203 read with Schedule V to the Companies Act 2013 for the time being in force.

RESOLVED FURTHER THAT the any of the Director be and is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard."

**For and on Behalf of the Board
ERP Soft Systems Limited**

**Place: Chennai
Date: 12.08.2016**

**Sd/-
K. Parvathi Reddy
Managing Director
(DIN: 00827258)**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 29.09.2016 (Both days Inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

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8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarathi Consultants Private Ltd)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Aarathi Consultants Private Ltd., Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose Email-IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website www.erpsoft.com for their download. The physical

copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investorcare@erpsoft.com

16. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23.09.2016, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on 26.09.2016 and will end at 5.00 p.m. on 28.09.2016. The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

Procedure of E-Voting In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, your Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 a.m. on 26.09.2016 and will end at 5.00 p.m. on 28.09.2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

(i) For CDSL: 16 digits beneficiary ID,

(ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

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

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN "ERP SOFT SYSTEMS LIMITED"
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23.09.2016.

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18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
19. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
20. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on Behalf of the Board
ERP Soft Systems Limited**

**Place: Chennai
Date: 12.08.2016**

**Sd/-
K. Parvathi Reddy
Managing Director
(DIN: 00827258)**

ERP SOFT SYSTEMS LIMITED

EXPLANATORY STATEMENT

(Pursuant to Section 102(2) of the Companies Act, 2013)

ITEM NO. 4:

The Board of Directors at their meeting held on 12.08.2016 have subject to the approval of the Shareholders, re-appointed Mrs. K. Parvathi Reddy as Managing Director with effect from 12.08.2016 for a period of 3 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out in the resolutions no 4.

The Board is of the opinion that the services of the Mrs. K. Parvathi Reddy, Managing Director is in the interest of the Company in order to achieve further growth. Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 12.08.2016 approved the remuneration, terms and conditions of the re-appointment of Mrs. K. Parvathi Reddy subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions set out in the respective resolution numbers 4.

Hence, the Board recommends the above said resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mrs. D. Sarojanamma, Mrs. D. Kowsalyamma, Mrs. K. Parvathi Reddy (relative of Mrs. D. Sarojanamma and Mrs. D. Kowsalyamma) are concerned or interested, financially or otherwise, in the said resolution.

ITEM NOS. 5, 6 and 7:

The Board of Directors at their meeting held on 12.08.2016 have subject to the approval of the shareholders, re-appointed Mrs. D. Sarojanamma and Mrs. D. Kowsalyamma as Wholetime Directors of the Company and Mr. K. Radhakrishna Reddy as Wholetime Director cum CFO with effect from 12.08.2016 for a period of 3 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out in the respective resolutions.

Further, as per the requirement of the Schedule V Part I (c) of the Companies Act, 2013 if a managing or Whole Time Director has attained the age of 70 years then his appointment/continuation needs to be approved by a special resolution passed by the Company in General Meeting otherwise Central Government approval is required.

Mrs. D. Kowsalyamma, Mrs. D. Sarojanamma and Mr. K. Radhakrishna Reddy, has attained the age of 70 years. Your directors in their meeting held on 12.08.2016 have approved their continuation as Whole Time Directors and recommended the resolution nos. 5, 6 and 7 for approval of the Shareholders as a Special Resolution.

The Board is of the opinion that the services of the above said directors is in the interest of the Company in order to achieve further growth. Taking into consideration the duties and responsibilities of the Whole time Directors, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 12.08.2016 approved the remuneration, terms and conditions of the reappointment of Mrs. D. Sarojanamma, Mrs. D. Kowsalyamma and Mr. K. Radhakrishna Reddy subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions set out in the respective resolution numbers 5, 6 and 7.

Hence, the Board recommends the above said resolutions for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mrs. D. Sarojanamma, Mrs. D. Kowsalyamma, Mrs. K. Parvathi Reddy (relative of Mrs. D. Sarojanamma and Mrs. D. Kowsalyamma) and Mr. K. Radhakrishna Reddy are concerned or interested, financially or otherwise, in their respective resolutions.

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DETAILS OF THE DIRECTOR/S APPOINTED/RE-APPOINTED:

Name	K. Parvathi Reddy	D. Sarojanamma	D. Kowsalyamma	K. Radhakrishna Reddy
DIN	00827258	05208974	00908641	02634480
Date of Birth	26/05/1955	05/03/1931	06/01/1926	01/07/1936
Date of Appointment	16/12/1994	11/11/2011	13/07/2015	14/09/2002
Qualifications	M.A,M.Phill	U.G	U.G	U.G
No. of Shares held in the Company	2,00,000	3,50,000	2,00,000	–
Directorships held in other companies (excluding private limited and foreign companies)	–	–	–	–
Positions held in mandatory committees of other companies	–	–	–	–
Relationship with other directors of the Company	Daughter of Mrs. D Sarojanamma and Niece of Mrs. D. Kowsalyamma	Mother of Mrs. K. Parvathi Reddy and Sister of D. Kowsalyamma	Aunt of Mrs. K. Parvathi reddy and Sister of Mrs. D. Sarojanamma	–

ERP SOFT SYSTEMS LIMITED

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts (including consolidated financial statements) for the year ended 31st March, 2016.

1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31st March, 2016 has been as under:

(Rs. in lakhs)

Particulars	Standalone	
	2015-2016	2014-2015
Total Income	79.88	70.25
Total Expenditure	62.07	49.97
Profit Before Tax	17.80	20.28
Provision for Tax	6.82	6.35
Profit after Tax	10.99	13.93
Balance Carried to Balance Sheet	10.99	13.93

(Rs. in lakhs)

Particulars	Consolidated	
	2015-2016	2014-2015
Total Income	2638.14	1476.75
Total Expenditure	2518.85	1414.44
Profit Before Tax	119.28	62.30
Provision for Tax	18.17	19.35
Profit after Tax	101.11	42.95
Balance Carried to Balance Sheet	101.11	42.95

2. DISCLOSURE UNDER SECTION 134(3)(I) OF THE COMPANIES ACT,2013:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 12/08/2016)

Registrar and Transfer Agent of the Company has been changed from M/s Cameo Corporate Services Limited, Chennai to M/s Aarthi Consultants Private Limited, Hyderabad.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business.

4. PUBLIC DEPOSITS:

The Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

5. TRANSFER TO RESERVES:

Directors have decided not to transfer any amount to reserves for the year.

6. DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

7. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review

8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are

authorized, recorded and reported correctly.

9. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

The details of transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in detail somewhere else in the report (if applicable) and forms part of this Report.

11. BOARD MEETINGS DURING THE YEAR:

The Board of Directors duly met 5 (five) times on 30.05.2015, 12.08.2015, 28.08.2015, 12.11.2015 and 12.02.2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

12. CORPORATE GOVERNANCE:

Corporate Governance is not applicable to the company since the paid up capital and networth of the company is less than Rs.10.00 crores and Rs.25.00 crores respectively. However, the company voluntarily provides a separate section in the Annual Report titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report –Annexure I

14. RETIREMENTS AND RESIGNATIONS:

During the year no director has resigned from the Company. Mrs. K. Parvathi Reddy retires by rotation and being eligible offers herself for re-appointment. Further, Mrs. K. Parvathi Reddy, Mrs D. Kowsalyamma,

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Mrs.D. Sarojanamma and Mr. K. Radhakrishna Reddy are being re-appointed as Managing Director and Wholetime Directors respectively of the Company. Your Board recommend their appointment.

15. DIRECTORS/CEO/CFO AND KEY MANAGERIAL PERSONNEL:

During the year, there is no change in the Board of the Company.

16. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. P.V Srinivasa Rao and Mrs. R. Kamala Mohan Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.-Annexure-II

17. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

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

- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:

100% Subsidiary company, Libertycom LLC in USA is focusing on ERP, Business Intelligence/ Analytics projects and staffing.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC1 is provided at Annexure-III. In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its audited standalone and the consolidated financial statements has been placed on the website of the Company at www.erpsoft.com

Further, audited financial statements together with related information and other reports of each of the subsidiary companies, have also been placed on the website of the Company at www.erpsoft.com.

19. STATUTORY AUDITORS:

M/s. Vijayaraghavan and Associates, Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, have expressed their willingness for reappointment. Your directors propose the appointment of M/s. Vijayaraghavan and Associates, Chartered Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

The Board recommends the re-appointment of M/s. Vijayaraghavan and Associates, Chartered Accountants as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

20. INTERNAL AUDITORS:

M/s Ashok Golechha & Co., Chartered Accountants, are the internal Auditors of the Company

21. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by M/s. S. S. Reddy & Associates, Practicing Company Secretaries is annexed to this Report as annexure.

22. AUDIT REPORTS:

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2016 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

(b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and does not have any qualifications, reservations or adverse remarks.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Since the company does not have the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more, a net profit of Rs. 5 Crores or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

24. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. www.erpssoft.com

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Anti Sexual Harrassment Policy
- Related Party Policy
- Code of Conduct

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

- | | | |
|---|---|-----|
| 1. Research and Development (R&D) | : | NIL |
| 2. Technology absorption, adoption and innovation | : | NIL |

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings	:	\$48,600
Foreign Exchange Outgo	:	NIL

26. INSURANCE:

The properties and assets of your Company are adequately insured.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans or Guarantees during the year under review.

28. CREDIT & GUARANTEE FACILITIES:

The Company has not been availing any Credit and Guarantee Facilities.

29. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to the Company.

30. RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies(Appointment & Remuneration) Rules, 2014, no remuneration is being paid to any of the Directors of the Company.

31. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

32. CEO/ CFO CERTIFICATION:

The Managing Director and CEO/ CFO certification of the financial statements for the year 2015-16 is provided elsewhere in this Annual Report.

33. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

34. SECRETARIAL STANDARDS:

The company is in compliance with SS 1 & SS 2.

35. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities:

- 1. Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
- 2. Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
- 3. Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014

4. **Non- Exercising of voting rights :** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
6. **Buy back shares:** The Company did not buy-back any shares during the period under review.
7. **Disclosure about revision:** Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.
8. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

36. EMPLOYEE RELATIONS AND REMUNERATION:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

37. DISCLOSURE UNDER THE ANTI-SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

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The following is the summary of sexual harassment complaints received and disposed during the calendar year.

No. of complaints received : Nil

No. of complaints disposed off : Nil

38. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, other statutory authorities like SEBI, ROC, Stock Exchanges, NSDL, CDSL, etc and shareholders of the Company for their continued support for the growth of the Company.

**For and on Behalf of the Board
ERP Soft Systems Limited**

**Place: Chennai
Date: 12.08.2016**

**Sd/-
K. Parvathi Reddy
Managing Director
(DIN: 00827258)**

**Sd/-
D. Sarojanamma
Director
(DIN: 05208974)**

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Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2015-16 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ERP Soft Systems Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2015-16.

**For and on Behalf of the Board
ERP Soft Systems Limited**

**Place: Chennai
Date: 12.08.2016**

**Sd/-
K. Parvathi Reddy
Managing Director
(DIN: 00827258)**

CORPORATE GOVERNANCE

***** Corporate Governance is not applicable to the company as its paid up-equity capital and net worth does not exceed Rs. 10 crores and Rs. 25 crores respectively. However, the company voluntarily complies by more or less all the compliances under Corporate Governance as a good governance measure to keep the stakeholders informed about the company.***

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at ERP Soft Systems Limited as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website www.erpssoft.com.

3. BOARD EVALUATION:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the *corporate governance report*. The Board approved the evaluation results as collated by the nomination and remuneration committee.

4. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

All new independent directors inducted into the Board attend an orientation program. The details of training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

5. LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into fresh Listing Agreement with BSE Limited.

6. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website www.erpsoft.com

7. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD:

The Company is managed and controlled through a professional body of Board of Directors which is headed by Mrs. K. Parvathi Reddy, Managing Director. As on 31st March 2016, the Board of the Company has 6 members (including 1 Managing Director, 2 Independent Non-Executive Directors and 3 Executive Directors). None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

The Board has been enriched with the advices and knowledge of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2016 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

B. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING HELD DURING THE YEAR AND LAST ANNUAL GENERAL MEETING AND NUMBER OF OTHER BOARD OF DIRECTORS IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON.

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Name of Director	Category of Directorship	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies		Attendance Particulars		
			Member	Chairman	Last AGM 28.09.2015	Board meetings '15-16'	
						held	Attended
Ms. K. Parvathi Reddy	Managing Director	3	–	–	Yes	5	5
Mrs. D. Sarojanamma	Executive Director	1	–	–	Yes	5	5
Mrs. D. Kowsalyamma	Executive Director	3	–	–	Yes	5	5
Mr. K. Radhakrishna Reddy	Executive Director cum CFO	–	–	–	Yes	5	5
Mr. P.V. Srinivasa Rao	Non Executive & independent Director	–	–	–	Yes	5	5
Mrs. R. Kamala Mohan	Non Executive & independent Director	–	–	–	Yes	5	5

C. MEETINGS DURING THE YEAR:

The Board of Directors duly met 5 (Five) times on 30.05.2015, 12.08.2015, 28.08.2015, 12.11.2015 and 12.02.2016 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

D. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mrs. D. Sarojanamma, Executive Director and Mrs. K. Parvathi Reddy, Managing Director of the Company are inter-se related as Mother and Daughter respectively. Mrs. D. Sarojanamma, Executive Director and Mrs. D. Kowsalyamma, Wholetime Director are inter-se related as Sisters. Mrs. K. Parvathi Reddy, Managing Director is a Niece of Mrs. D. Kowsalyamma, Wholetime Director.

E. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

None of the Non-Executive Directors of the company holds any shares and Convertible Instruments in their name, except Mrs. R. Kamala Mohan who is holding 34,115 equity shares.

8. AUDIT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a. Any changes in accounting policies and practices;
 - b. Qualification in draft audit report;
 - c. Significant adjustments arising out of audit;
 - d. The going concern concept;
 - e. Compliance with accounting standards;
 - f. Compliance with stock exchange and legal requirements concerning financial statements and
 - g. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.

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- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE:

There were four (4) Audit Committee Meetings held during the year on 30.05.2015, 12.08.2015, 12.11.2015 and 12.02.2016.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. P.V. Srinivasa Rao	Chairman	NED(I)	4	4
Mrs. R. Kamala Mohan	Member	NED(I)	4	4
Mr. K. Radha Krishna Reddy	Member	ED	4	4

NED (I) : Non Executive Independent Director

ED : Executive Director

9. NOMINATION AND REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors

ERP SOFT SYSTEMS LIMITED

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mr. P.V. Srinivasa Rao	Chairman	NED(I)	1	1
Mrs. R. Kamala Mohan	Member	NED(I)	1	1
Mrs. D. Kowsalyamma	Member	ED	1	1

NED (I) : Non Executive Independent Director

ED : Executive Director

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 **“Director”** means a director appointed to the Board of a Company.

2.2 **“Nomination and Remuneration Committee”** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013, Clause 49(II)(B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;

- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- shall possess a Director Identification Number;
- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;• shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013, Clause 49 of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.
 - (i) who is or was not a promoters of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors of the company its holding, subsidiary or associate company
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding subsidiary or associate company amounting to ten per cent or more of the gross turnover of more of the gross

ERP SOFT SYSTEMS LIMITED

turnover of such firm;

- (i) holds together with his relatives two per cent or more of the total voting power of the company; or
- (ii) is a chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the company any of its promoters , directors or its holding subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (iii) is a material supplier, service provider or customer or a lesser or lessee of the company.

- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age

3.2.3 The independent Director shall abide by the “code for independent Directors “as specified in Schedule IV to the companies Act, 2013.

3.3 other directorships/ committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

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- 3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

10. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mrs. R. Kamala Mohan	Chairman	NED(I)
Mr. P.V. Srinivasa Rao	Member	NED(I)
Mr. K. Radha Krishna Reddy	Member	NED

NED (I) : Non Executive Independent Director

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Mrs. P. Shivaleela Reddy, Company Secretary of the company is the compliance officer of the Company.

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C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2016
Pending at the beginning of the year	NIL
Received during the year	NIL
Disposed of during the year	NIL
Remaining unresolved at the end of the year	NIL

11. REMUNERATION OF DIRECTORS:

- A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** The Non- Executive Directors have no pecuniary relationship or transactions.
- B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:** As per the remuneration policy of the company.
- C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES:**

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mrs. K. Parvathi Reddy	-	-	2,00,000	-	-	-	-
Mrs. D. Sarojamma	-	-	3,50,000	-	-	-	-
Mrs. D. Kowsalyamma	-	-	2,00,000	-	-	-	-
Mr. K. Radha Krishna Reddy	-	-	-	-	-	-	-
Mr. P.V. Srinivasa Rao	-	-	-	-	-	-	-
Mrs. R. Kamala Mohan	-	-	34,115	-	-	-	-

D. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.03.2016, and discussed the following:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

12. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 14/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company,
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 4 non-independent directors namely:

1. Mr. K. Radha Krishna Reddy
2. Mrs. D. Kowsalyamma
3. Mrs. D. Sarojamma
4. Mrs. K. Parvathi Reddy

The meeting recognized the significant contribution made by Managing Director and other whole-time directors in directing the Company towards the success path.

The meeting also reviewed and evaluated the performance of the Board as whole in terms of the following aspects:

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

13. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 **“Director”** means a director appointed to the Board of the company.
- 2.2 **“key managerial personnel”** means
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The Company Secretary;
 - (iii) The Whole-time Director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 **“Nomination and Remuneration committee”** means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3. Policy:**
- 3.1 Remuneration to Executive Director and key managerial personnel
- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.
- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
- (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus

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3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

14. RISK MANAGEMENT COMMITTEE:

A.) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mrs. R. Kamala Mohan	Chairman	NED(1)
Mrs. D. Sarojamma	Member	ED
Mrs. D. Kowsalyamma	Member	ED

NED (I) : Non Executive Independent Director

ED : Executive Director

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B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

15. DETAILS ON GENERAL BODY MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2014-15	28.09.2015	11:00 a.m.	A Block-21, 4th Street, Anna Nagar, Chennai-600102	1. Appointment of Mrs. D. Kousalyamma as Director of the Company 2. Amendment of Articles of Association of Company
2013-14	30.09.2014	10:00 a.m.	A Block-21, 4th Street, Anna Nagar, Chennai-600102	1. Appointment of Mrs. R. Kamala Mohan as Director of the Company 2. Appointment of Mr. P.V Srinivasa Rao as Director of the Company 3. Amendment of Articles of Association of Company
2012-13	27.09.2013	10:00 a.m.	A Block-21, 4th Street, Anna Nagar, Chennai-600102	Nil

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT:

There were no resolutions passed by the Company through Postal Ballot during the financial year 2015-16.

16. MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.erpssoft.com. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

17. GENERAL SHAREHOLDER INFORMATION:

A) ANNUAL GENERAL MEETING:

Day, Date and Time: Thursday, 29th September, 2016 at 11.00 a.m.

Venue: A Block-21, 4th Street, Anna Nagar, Chennai-600102

B) FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2016-17 (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2015-16

Financial calendar: 2016-17 (tentative)

Adoption of Quarterly results for the Quarter ending

- 30th June, 2016 : 12.08.2016 (declared)
- 30th September, 2016 : on or before 14.11.2016
- 31st December, 2016 : on or before 14.02.2017
- 31st March, 2017 : on or before 30.05.2017

Annual General Meeting (Next year): August / September, 2017

C) DIVIDEND PAYMENT DATE: No Dividend was declared during the Financial Year 2015-16.

D) NAME AND ADDRESS OF EACH STOCK EXCHANGE WHERE THE COMPANIES SECURITIES ARE LISTED:

EXCHANGE : BSE LIMITED, P.J. Towers, Dalal Street, Mumbai-400001.

ERP SOFT SYSTEMS LIMITED

E) STOCK CODE:

EXCHANGE: BSE LIMITED CODE: 530909

F) IN CASE SECURITIES ARE SUSPENDED FROM TRADING :

The securities are not suspended from trading on any of the stock exchanges.

G) REGISTRAR AND SHARE TRANSFER AGENTS:

Aarhi Consultants Private Limited

1-2-285, Domalguda

Hyderabad – 500029

Tel No.: 04027638111/27634445

Fax: 040-27632184

E-mail: aarhiconsultants@gmail.com

H) SHARE TRANSFER SYSTEM:

The Transfer of Shares is affected by the Registrars after necessary approval of the Board/Share Transfer Committee. Transfer generally takes 1-2 weeks.

I) DEMATERIALISATION & LIQUIDITY OF SHARES:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE308B01017 in BSE. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	9365	0.24
CDSL	1613835	40.75
PHYSICAL	2336800	59.01
Total	3960000	100.00

J) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES: NIL

**K) ADDRESS FOR CORRESPONDENCE: A21 Anna Nagar, Chennai
102 Tamil Nadu - 600102**

**L) BOOK CLOSURE DATE: 24th September, 2016 to 29th September, 2016
(both days inclusive)**

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M) LISTING FEES:

The equity shares of the Company are listed on BSE Ltd. The Company has paid the listing fees for the year 2015-16 to BSE Limited.

N) ELECTRONIC CONNECTIVITY: The Company has demat connectivity with both NSDL and CDSL. The ISIN is INE308B01017

O) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016:

S. No	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and Promoter group	-	-
1.	Indian	-	-
	Individual	2020700	51.03
2.	Foreign	-	-
	Individual	-	-
	Sub-Total A	2020700	51.03
B	Public Shareholding	-	-
1.	Institutions	-	-
2.	Non Institutions	1939300	48.97
	Sub Total B	1939300	48.97
	Grand Total (A+B)	3960000	100

18. OTHER DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

B. COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

C. WHISTLE BLOWER POLICY:

The Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Company does not have Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.

E. WEB-LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED: <http://www.erpsoft.com/>

F. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 129 of the Companies Act, 2013.

ERP SOFT SYSTEMS LIMITED

CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To
The Board of Directors
ERP Soft Systems Limited

Dear Sirs,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we were aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**For and on behalf of the Board of
ERP Soft Systems Limited**

Place: Chennai
Date: 12.08.2016

Sd/-
K. Parvathi Reddy
Managing Director

Sd/-
K. Radha Krishna Reddy
Director cum CFO

ERP SOFT SYSTEMS LIMITED

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ERP Soft Systems Limited

We have examined the Compliance with conditions of Corporate Governance of M/s. ERP Soft Systems Limited for the year ended 31st March, 2016 as stipulated in Regulation 34(3) read with Para E Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For Vijayaraghavan and Associates
Chartered Accountants**

**S/d-
P.B.Vijayaraghavan
Partner
Membership No:15103
Firm Reg No:005699S**

**Place: Chennai
Date: 12.08.2016**

ERP SOFT SYSTEMS LIMITED

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

**** Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.**

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

a) Industry Structure, Development and Outlook

The management envisages huge growth in cloud, analytical & engineering IT Services and ERP Soft will be focusing on providing services in these areas.

b) Opportunities and Threats.

ERP Soft Systems sees opportunities of growth on the back of reviving global economies, growing IT services spends and also adoption of digital enterprises using SMAC being the new imperative across industries.

c) Business performance and Segment Reporting

ERP Soft is engaged in only IT services as a single segment.

The discussion on financial performance in the Management Discussion and Analysis relate to ERP Soft & its subsidiaries. During the year under review, on consolidated basis, the company has recorded revenue of Rs 2,638 lakhs and made a net profit of Rs 101 lakhs against revenue of Rs 1,476 lakhs and net profit of Rs 43 lakhs in the previous financial year.

d) Outlook:

Presently the outlook is promising with IT landscape changing towards more agile and quick implementation using cloud environment.

e) Internal Control System and its adequacy

The system of internal control has been established to provide reasonable assurance of safe guarding IT assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures and processes are reviewed frequently. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

f) Discussion on Financial Performance with respect to Operational Performance.

The financial performance of ERP is becoming stronger as could be observed from financials. Company remains debt free in spite of increase in operations and need for working capital.

g) Human resources and Industrial relations

Your company continues to have cordial relations with its employees and with clients and vendors.

ERP SOFT SYSTEMS LIMITED

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To
The Members of
M/s. ERP Soft Systems Limited

We have conducted the audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ERP Soft Systems Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2015 and ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
 - (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2015-16:-
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **All the required disclosures from time to time and as and when applicable were complied with.**
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
 - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable**
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
 - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
 - viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading regulations; **The Company has framed code of conduct for regulating & reporting trading by Insiders and for Fair Disclosure, 2015 and displayed the same on company's Website i.e www.erpsoft.com and all required disclosures from time to time as and when applicable are complied with.**

ERP SOFT SYSTEMS LIMITED

- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and
- The Company has signed Uniform listing agreement with BSE Limited;
 - The company has framed the policies as mentioned below and displayed the same on the company's website i.e. www.erpsoft.com
 - Board Diversity Policy
 - Policy on Preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Related party transaction policy
 - Familiarisation programme for independent directors
 - Anti Sexual harassment policy
 - Code of conduct
3. During the year the company has conducted 5 Board meetings, 4 Audit committee meetings, 4 Stakeholders Relationship Committee meetings and 1 Nomination & Remuneration Committee meeting. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement entered into by the Company with Stock Exchange(s).
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;
5. The Company has identified the following law applicable specifically to the Company:
- a. Information Technology Act, 2000 as amended from time to time.

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of audit, we report that
 - (i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - (ii) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (iii) Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - (iv) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (v) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

- (i) The Company has Company Secretary and CFO namely Mrs. P. Shivaleela Reddy and K. Radhakrishna Reddy respectively.
- (ii) The Company has the internal auditors namely M/s. Ashok Golechha & Co. Chartered Accountants, Hyderabad.
- (iii) The Company is regular in deducting and paying TDS under the Income Tax Act.
- (iv) The Company has applied for change of Registrar and Transfer Agent from M/s Cameo Corporate Services Limited to M/s Aarathi Consultants Private Limited. CDSL has given the approval vide their letter dated 18.03.2016 for change of RTA.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking

ERP SOFT SYSTEMS LIMITED

and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For S.S. Reddy & Associates

**S. Sarveswar Reddy
Proprietor**

C.P.No: 7478, M.No. A12611

**Place: Hyderabad
Date: 12.08.2016**

ERP SOFT SYSTEMS LIMITED

Annexure

To
The Members of
M/s ERP Soft Systems Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S.S. Reddy & Associates

Place: Hyderabad
Date: 12.08.2016

S. Sarveswar Reddy
Proprietor
C.P.No: 7478, M.No. A12611

ERP SOFT SYSTEMS LIMITED

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:					
i.	CIN	L67120TN1994PLC029563			
ii.	Registration Date	16.12.1994			
iii.	Name of the Company	ERP Soft Systems Limited			
iv.	Category / Sub-Category of the Company	Company limited by shares			
v.	Address of the Registered office and contact details	A21 Anna Nagarchennai 102, Chennai 102 Tamil Nadu - 600102			
vi.	Whether listed company Yes / No	Yes			
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarthi Consultants Private Limited 1-2-285, Domalguda Hyderabad – 500029 Tel No.: 04027638111/27634445 Fax: 040-27632184 E-mail: aarthiconsultants@gmail.com			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company		
1	Providing Software Support & maintenance to the client	62013	100		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-					
S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	Libertycom LLC		Subsidiary Company	100	2(87)(ii)

ERP SOFT SYSTEMS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt .(s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--

ERP SOFT SYSTEMS LIMITED

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.						--			
i) Indian	25	214700	214725	5.42	25	214700	214725	5.42	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	21847	201400	223247	5.63	23046	200200	223246	5.63	--

ERP SOFT SYSTEMS LIMITED

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1469200	1469200	37.10	0	1469200	1469200	37.10	--
c) Others (specify)	128	32000	32128	0.81	129	32000	32129	0.81	--
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	22000	1917300	1939300	48.97	23200	1916100	1939300	48.97	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1622000	2338000	3960000	100	1623200	2336800	3960000	100.00	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1.	Nagaraju G	--	74200	74200	1.87	--	74200	74200	1.87	--
2.	Satish G	--	196500	196500	4.96	--	196500	196500	4.96	--
3.	Sivakumar Reddy K	--	75000	75000	1.89	--	75000	75000	1.89	--
4.	Chandana K	--	75000	75000	1.89	--	75000	75000	1.89	--

ERP SOFT SYSTEMS LIMITED

5.	D. Kowsalyamma	200000	--	200000	5.05	200000	--	200000	5.05	--
6.	D. Sreelatha	330000	--	330000	8.33	330000	--	330000	8.33	--
7.	D. Venkata Siva Kumar Reddy	320000	--	320000	8.08	320000	--	320000	8.08	--
8.	K. Navaneethamma	200000	--	200000	5.05	200000	--	200000	5.05	--
9.	k. Parvathi Reddy	200000	--	200000	5.05	200000	--	200000	5.05	--
10.	D. Sarojanamma	350000	--	350000	8.84	350000	--	350000	8.84	--

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NIL	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Shareholder Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of The company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	Karsanalal C Kothari	399900	10.10	399900	10.10
2	Chandrikaben C Kothari	499800	12.62	499800	12.62
3	G Techstone Ltd	214700	5.42	214700	5.42

ERP SOFT SYSTEMS LIMITED

4	Jayaben Acharya	161900	4.09	161900	4.09
5	Harish J Acharya	120000	3.03	120000	3.03
6	Rajuben K Kothari	97600	2.46	97600	2.46
7	Brindha S	34115	0.86	34100	0.86
8	K. Venkata Sudhakar	20000	0.50	--	--
9	Mohan R	32100	0.81	32100	0.81
10	Mohan S	38900	0.98	30100	0.76

Date wise Increase /Decrease in Promoters Share Holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer /bonus/ sweat equity etc): NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	K. Parvathi Reddy				
	At the beginning of the year	200000	5.05		--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	200000	5.05		
2.	D. Sarojanamma				
	At the beginning of the year	350000	8.84		--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	350000	8.84		
3.	R. Mohan Kamala				
	At the beginning of the year	34115	0.86		--

ERP SOFT SYSTEMS LIMITED

	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	34115	0.86	--	--
4.	D. Kowsalyamma			--	--
	At the beginning of the year	200000	5.05	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	200000	5.05		
5.	K. Radha krishna Reddy				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--
6.	P.V. Srinivasa Rao				
	At the beginning of the year	--	--	--	--
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--

ERP SOFT SYSTEMS LIMITED

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	--	--	--	--
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
Addition				
Reduction				
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--	--	--	--
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>				
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:	Total Amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	
2.	Stock Option		--	--
3.	Sweat Equity		--	--
4.	Commission - as % of profit - Others, specify...		--	--
5.	Others, please specify		--	--
6.	Total (A)		--	--
7.	Ceiling as per the Act		--	--

ERP SOFT SYSTEMS LIMITED

B. Remuneration to other directors:						
Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	--	--	--	--	--
	Total (1)	--	--	--	--	--
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	--	--	--	--	--
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD						
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary P. Shivaleela Reddy	CFO	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	180000	--	180000	
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please Specify					
6.	Total	--	180000	--	180000	

ERP SOFT SYSTEMS LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ERP SOFT SYSTEMS LIMITED

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To
The Board of Directors
M/s. ERP Soft Systems Limited

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: 12.08.2016
Place: Chennai

S/d-
P.V. Srinivasa Rao
(Independent director)

ERP SOFT SYSTEMS LIMITED

ANNEXURE II

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

To
The Board of Directors
M/s. ERP Soft Systems Limited

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,

Date: 12.08.2016
Place: Chennai

S/d-
R. Kamala Mohan
(Independent director)

ERP SOFT SYSTEMS LIMITED

ANNEXURE III

Pursuant to first proviso to sub-section (3) of section 129 of Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - AOC-1, the Company is presenting summarized financial information about individual subsidiaries as at March 31, 2016.

Information relating to Subsidiaries as at March 31, 2016.

Name of the Subsidiary	Libertycom,LLC
Reporting Currency	Rupees
Exchange rate as on 31.03.2016	66.3329
Share Capital	Rs 21,51,744
Reserves and Surplus	Rs 7,67,50,516
Total Assets	Rs 11,47,90,493
Investments	-
%of holding	100%
Sales and Other Income	Rs 25,58,26,218
Profit before Taxation	Rs 1,01,47,965
Provision for Taxation	Rs 11,36,131
Profit after Taxation	Rs 90,11,834
Proposed Dividend	-

ERP SOFT SYSTEMS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ERP SOFT SYSTEMS LIMITED

We have audited the accompanying financial statements of ERP SOFT SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss of the year ended, and the Cash flow Statement a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to under section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016

ERP SOFT SYSTEMS LIMITED

- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In case of the Cash Flow Statement for the year ended
 - 1) As required by the Companies (Auditor's Report) order, 2016 issued by the Central Government of India in terms of section 143 of the act, we give in the annexure a statement of the matters specified in 143(11) of the order
 - 2) As required by Section 143(3) of the Act, 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 purpose 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, Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance sheet, Statement of Profit and Loss, comply with the Accounting Standards referred to section 133 of the Companies Act, 2013
 - e) on the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as directors in terms of Sub section (2) of section 164 of the Companies Act, 2013.
 - f) The Company does not have branch offices
 - g) The Company has a adequate Internal Financial Control procedures system in place. There is no major weakness in the Internal Control Procedures.
 - h) The books of accounts have been maintained properly and no such matters arose during the course of Audit which enables us for Qualification
 - i) No such matters came to light upon audit of financial transactions which may have an adverse effect on the functioning of the Company

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.VIJAYARAGHAVAN
Partner

Membership No: 15103
Firm Reg No:005699S

Place: Chennai
Date: May 30, 2016

ERP SOFT SYSTEMS LIMITED

Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of ERPSOFT SYSTEMS LIMITED for the year ended March 31, 2016)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company did not have any immovable property during the year.
2. In respect of its inventories The company did not carry any inventory during the year
3. a) During the year the company has not granted any loans to Companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013

b) There were no loans unsecured outstanding in the books of the company.
4. The company has not accepted any Deposits from public attracting provisions of section 73 to 76 (both inclusive) of Companies Act, 2013, or any other relevant provisions of the Act.
5. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
6. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of the Company's nature of business.
7. a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at **31st March, 2016 for a period of more than six months from the date they become payable.**

b) According to the information and explanations given to us, there are no Disputed statutory dues in the books of the company.

ERP SOFT SYSTEMS LIMITED

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
9. 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.
10. The company has not taken term loans from banks.
11. Based on our examination of the Balance Sheet of the company as at 31.03.2016, since there are no loans availed by the company from the banks, the utilization of funds does not arise.
12. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
13. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
14. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
15. There was no managerial remuneration paid or provided by the company during the year
16. The related party transactions are in compliance with section 177 of the Companies Act 2013 and where applicable the details have been disclosed in the financial Statements as required by the Accounting Standards and Companies Act 2013.
17. The Company has not made any preferential allotment of Shares or fully or partly convertible debentures during the year under review as required by section 42 of the Companies Act 2013
18. The Company has not entered into non-cash transactions with directors or persons connected with them as required by the provisions of section 192 of the Companies Act 2013

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.VIJAYARAGHAVAN
Partner

Membership No: 15103
Firm Reg No:005699S

Place: Chennai
Date: May 30, 2016

ERP SOFT SYSTEMS LIMITED

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, 2016, 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.11,37,74,880/- as at 31 March 2016 and total revenues of Rs.25,58,26,218/- for the year ended March 31, 2016. 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 31,2016
- 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 & ASSOCIATES
Chartered Accountants

P.B.VIJAYARAGHAVAN
Partner

Membership No: 15103
Firm Reg No:005699S

Place: Chennai
Date: May 30, 2016

ERP SOFT SYSTEMS LIMITED

Balance Sheet as at 31st March, 2016

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of current 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	24,804,811	23,705,580
(c) Money received against share warrants	3	-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	5,900	5,900
(c) Other Long term liabilities	6	-	-
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short-term borrowings	8	-	1,140,638
(b) Trade payables	9	-	-
(c) Other current liabilities	10	742,328	1,274,938
(d) Short-term provisions	11	3,217,000	2,517,000
Total		68,370,039	68,244,056
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	1,484,691	1,641,063
(b) Non-current investments	13	-	-
(c) Deferred tax assets (net)	14	33,391	14,884
(d) Long term loans and advances	15	1,500,000	1,500,000
(e) Other non-current assets	16	-	-
(2) Current assets			
(a) Current investments	17	57,443,901	61,427,330
(b) Inventories	18		
(c) Trade receivables	19	3,634,372	-
(d) Cash and cash equivalents	20	60,184	63,255
(e) Short-term loans and advances	21	4,213,500	3,597,500
(f) Other current assets	22	-	24
Total		68,370,039	68,244,056

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.Vijayaraghavan
Partner
Membership No.15103

Chennai, May 30, 2016

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
D.Sarojanamma
Director

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
Mr. K. Radha Krishna Reddy
Director & CFO

ERP SOFT SYSTEMS LIMITED

Profit and Loss statement for the year ended 31st March, 2016

Particulars	Note No.	31.03.2016	31.03.2015
I. Revenue from operations	23	8,069,595	7,119,148
II. Other Income	24	(81,177)	(93,905)
III. Total Revenue (I + II)		7,988,418	7,025,243
<i>IV. Expenses:</i>			
Cost of materials consumed	25	-	-
Purchase of Stock-in-Trade	26	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	-	-
Employee benefit expense	28	4,089,930	3,449,869
Financial costs	29	-	-
Depreciation and amortization expense	30	156,372	159,965
Other expenses	31	1,961,392	1,387,176
Total Expenses		6,207,694	4,997,010
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,780,724	2,028,233
VI. Exceptional Items	32	-	-
VII. Profit before extraordinary items and tax (V - VI)		1,780,724	2,028,233
VIII. Extraordinary Items	33	-	-
IX. Profit before tax (VII - VIII)		<u>1,780,724</u>	<u>2,028,233</u>
X. Tax expense:			
(1) Current tax		700,000	650,000
(2) Income Tax - Previous Year		-	-
(2) Deferred tax		(18,507)	(14,884)
XV. Profit/(Loss) for the period		<u>1,099,231</u>	<u>1,393,117</u>
XVI. Earning per equity share:			
(1) Basic		0.28	0.35
(2) Diluted			

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.Vijayaraghavan
Partner
Membership No.15103
Chennai, May 30, 2016

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
D.Sarojanamma
Director

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

ERP SOFT SYSTEMS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at	
	31-03-2016	31-03-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	1,780,748	2,028,233
Adjustments:		
Depreciation	156,372	159,965
Preliminary & Deferred revenue expenditure	-	-
(Profit/Loss on Sale of Fixed Assets (Net)	-	-
Intrest Paid	-	-
Operating Profit before working capital	1,937,120	2,188,198
Working Capital Changes :		
Trade and Other receivables	(3,634,372)	-
Loans and Advances	(616,000)	(597,500)
Trade and Other payables	(1,673,248)	1,883,873
	(3,986,500)	3,474,571
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and advance on Capital account	-	(24,794)
Increase/Decrease in Investments	3,983,429	(3,451,771)
Net Cash used in Investing activities	3,983,429	(3,476,565)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Process from issue of share capital	-	-
Share Premium	-	-
Subsidy received	-	-
Application money pending payment	-	-
Proceeds from borrowings (Net)	-	-
Preliminary issue expenditure	-	-
Dividend paid	-	-
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	(3,071)	(1,994)
Cash and cash equivalents at the beginning of the period	63,255	65,249
Cash and cash equivalents at the end of the period	60,184	63,255

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
D.Sarojanamma
Director

P.B.Vijayaraghavan
Partner
Membership No.15103

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

Chennai, May 30, 2016

Note: 1

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of financial statements

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 2013. Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

3. Revenue Recognition

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.

4. Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and Liabilities.

5. Fixed Assets, intangible assets

Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Intangible assets are recorded at the consideration paid for acquisition.

6. Depreciation and amortization

Depreciation on fixed assets is applied on straight-line method, pro-rata for the period of usage, in accordance with the rates prescribed under schedule II of the Companies Act, 2013.

7. Income tax

Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 2		
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

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2015-16	2014-15
	Number	Number
Shares outstanding at the beginning of the year	3,960,000	3,960,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,960,000	3,960,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2015-16		2014-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kowsalyamma D	200,000	5.05%	200,000	5.05%
Duvvuru Sreelatha	330,000	8.33%	330,000	8.33%
Duvvuru Venkata Sivakumar Reddy	320,000	8.08%	320,000	8.08%
Kakuturi Navaneethamma	200,000	5.05%	200,000	5.05%
Kallurupalli Parvathi Reddy	200,000	5.05%	200,000	5.05%
Sarojanamma D	350,000	8.84%	350,000	8.84%
Satish G	196,500	4.96%	196,500	4.96%
Karasanlal C Kothari	399,900	10.10%	399,900	10.10%
Chandrikaben C Kothari	499,800	12.62%	499,800	12.62%
G Techstone Ltd	214,700	5.42%	214,700	5.42%

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 3		
Reserves and Surplus		
Summary of Reserves and Surpluses		
Balance brought forward from previous year	23,705,580	22,312,463
Profit for the Year	1,099,231	1,393,117
	24,804,811	23,705,580
Note - 4		
Money received against share warrants	-	-
Note - 5		
Long-term borrowings	-	-
Note - 6		
Deferred tax liabilities (Net)	5,900	5,900
Note - 7		
(c) Other Long term liabilities	-	-
Note - 8		
(d) Long term provisions	-	-
Note - 9		
(a) Short-term borrowings	-	-
Loans & Advances - Libertycom, LLC	-	1,140,638
Note - 10		
(b) Trade payables		
Libertycom, LLC	-	-
Note - 11		
(c) Other current liabilities		
Consultancy & Contract Charges Payable		
Cameo Corporate Services Ltd	3,081	5,243
Rent Payable	150,000	25,000
Outstanding Expenses	308,797	224,720
Audit & professional Fee Payable	10,450	15,000
Salary Payable	254,000	985,475
TDS Payable	16,000	19,500
Total Other Current Liabilities	742,328	1,274,938

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 12		
(d) Short-term provisions		
Income Tax Provision	3,217,000	2,517,000
Total Short Term Provisions	3,217,000	2,517,000
Note - 13		
(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 & Peripharals	323,311	323,311
Printer	16,891	16,891
Computer Software	1,706,700	1,706,700
Less : Accumalated Depreciation	(2,145,552)	(1,989,180)
Total Fixed Assets	1,484,691	1,641,063

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 14		
(b) Non-current investments	-	-
Note - 15		
(c) Deferred tax assets (net)	33,391	14,884
Note - 16		
(d) Long term loans and advances Sagar Power Pvt. Limited		1,500,000
Note - 17	1,500,000	
(e) Other non-current assets		-
Note - 18	-	
(a) Current investments		
<u>SUBSIDIARY</u>		
Equity in Libertycom LLC		2,151,744
	2,151,744	
<u>PARTNERSHIP FIRM</u>		
ERP Info Systems		45,675,586
Yashavee Investment Consultants	41,692,157	13,600,000
	13,600,000	
OTHERS	-	-
	57,443,901	61,427,330
Note - 19		
(b) Inventories	-	-
Note - 20		
(c) Trade receivables		
Libertycom, LLC	3,634,372	-
Total Trade receivables	3,634,372	-

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 21		
(d) Cash and cash equivalents		
Cash at Bank	51,585	55,518
Cash on Hand	8,598	7,737
Total Cash and cash equivalents	60,183	63,255
Note - 22		
(e) Short-term loans and advances		
- Project Advance - King Maker Technologies	1,000,000	1,000,000
- Advance Staff Loan	88,500	22,500
- Advance Income Tax Paid	3,125,000	2,575,000
Total Short-term loans and advances	4,213,500	3,597,500
Note - 23		
(f) Other current assets		
- TDS Receivable	-	774
- Income Tax refund received A.Y 2013-14	-	(750)
Total Other current assets	-	24
Note - 24		
I. Revenue from operations		
Income from Sales	8,069,595	7,119,148
Total Revenue from operations	8,069,595	7,119,148

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 25		
II. Other Income		-
Foreign Exchange Gain/Loss	(81,177)	(202,499)
Interest Income	-	-
Gain/Loss on Sale of Shares	-	-
Gain/Loss on investments redumption	-	108,594
Total Other Income	(81,177)	(93,905)
Note - 26		
Cost of materials consumed	-	-
Note - 27		
Purchase of Stock-in-Trade	-	-
Note - 28		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-
Note - 29		
Employee benefit expense		
Staff Salary & Bonus	4,034,500	3,402,482
Staff Welfare	55,430	47,387
Total Employee benefit expense	4,089,930	3,449,869
SCHEDULE - 30		
Financial costs	-	-

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 31		
Depreciation and amortization expense		
- Furniture & Fittings	-	1,819
- Computer Peripherals	12,222	12,471
- Computer Software	75,160	76,218
- Printer	1,747	2,214
- Air-Conditioner	3,578	3,578
- Furniture & Fittings	-	-
- Motor Cycle	3,325	3,325
- Car	60,340	60,340
Total Depreciation	156,372	159,965
Note - 32		
Other expenses		
Advertisement	55,450	49,800
Audit Fees	19,350	15,000
Bank Service Charges	7,532	6,209
Marketing Expenses	312,300	-
Communication Expenses	33,192	41,509
Vehicle Maintenance	79,300	23,916
Donation	1,200	10,000
Interest on TDS	142	-
Insurance - Vehicle	982	12,342
Electricity Charges	21,024	10,520
DSC Renewal Fee	-	1,500
Listing Fees	229,000	224,720
e-voting Charges	5,700	5,618
Office Maintenance	36,549	49,616
Other Expenses	1,971	-
Professional Fees Others	33,000	26,964
Printing and Stationery	16,801	21,906
Rates & Taxes	24	4,780
Repairs and Maintenance	87,664	412,548
Rent	300,000	300,000
ROC Charges	9,000	-
Service Charges	27,344	-
Stock Exchange Fee	33,639	15,100
Travel & Hotel Expenses	253,810	104,428
Professional / Consultancy Fees	396,418	50,700
	1,961,392	1,387,176
Note - 33		
VI. Exceptional Items	-	-

ERP SOFT SYSTEMS LIMITED

FIXED ASSETS (April 2015 to March 2016)
Depreciation - Companies Act

PARTICULARS	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK	
	As on	Additions	As on	Depn for	As on	As on	As on
	April 01, 2015		March 31, 2016	the period	March 31, 2016	March 31, 2016	March 31, 2015
Furniture and Fittings	154,260	0	154,260	0	154,260	0	1,819
Computer & Peripherals	323,311	0	323,311	12,222	251,906	71,405	93,257
Computer Software	1,706,700	0	1,706,700	75,160	686,416	1,020,284	1,155,162
Printer	16,891	0	16,891	1,747	9,852	7,040	5,548
Air - Conditioner	66,501	0	66,501	3,578	21,468	45,033	52,189
Furniture & Fittings	700,000	0	700,000	0	700,000	0	0
Motor Cycle	35,000	0	35,000	3,325	19,950	15,050	21,700
Car	627,580	0	627,580	60,340	301,700	325,880	446,560
Total	3,630,243	0	3,630,243	156,372	2,145,552	1,484,692	1,776,235

(in Rupees)

ERP SOFT SYSTEMS LIMITED

FIXED ASSETS (April 2014 to March 2016)
Depreciation - IT Act

PARTICULARS	%age	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		(in Rupees)
		WDV as on	Additions		Total	Deletions	Total	Depreciation	WDV as on		
		March 31, 2015	Morethan 180 Days	Less than 180 Days						March 31, 2016	
Furniture and Fittings	10.00	402,481		0	402,481	0	402,481	40,248	362,233		
Computer & Peripherals	60.00	4,452		0	4,452	0	4,452	2,671	1,781		
Computer Software	-	16,500		0	16,500	0	16,500	0	16,500		
Printer	15.00	10,056		0	10,056	0	10,056	1,508	8,548		
Air - Conditioner	15.00	28,449		0	28,449	0	28,449	4,267	24,181		
Furniture & Fittings	-	0		0	0	0	0	0	0		
Motor Cycle	15.00	15,530		0	15,530	0	15,530	2,329	13,200		
Car	15.00	303,030		0	303,030	0	303,030	45,455	257,576		
Total		780,487		0	780,487	0	780,487	96,479	684,019		

ERP SOFT SYSTEMS LIMITED

NOTES ON ACCOUNTS:

15. Contingent Liabilities: There are no Contingent liabilities as on date.
16. The Company has Subsidiaries in US namely Libertycom, LLC
17. Segment information:
Currently company is fully into IT Services and entire revenues come from United States.
18. CIF value of import in respect of capital goods: Nil.
Expenditure and Earnings in Foreign Currency: Earnings - \$ 48,600 & Expenditure - Nil (Previous Year: Earnings -\$ 16,111 & Expenditure - Nil)
19. Additional information pursuant paragraphs 5(iB) & (iii) of part II of schedule of III of the companies Act, 2013 is not applicable to the Company.
20. Figures for the previous year are regrouped and rearranged, wherever necessary.

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.Vijayaraghavan
Partner
Membership No.15103

Chennai, May 30, 2016

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
D.Sarojanamma
Director

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

ERP SOFT SYSTEMS LIMITED

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

Balance Sheet as at 31st March, 2016

Particulars	Note No.	Figures as at the end of 31.03.2016	Figures as at the end of 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	39,600,000	39,600,000
(b) Reserves and Surplus	2	101,555,327	88,048,828
(c) Money received against share warrants	3	-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	-	-
(b) Deferred tax liabilities (Net)	5	5,900	5,900
(c) Other Long term liabilities	6		
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short-term borrowings	8		
(b) Trade payables	9	23,085,788	1,983,437
(c) Other current liabilities	10	8,744,773	4,496,430
(d) Short-term provisions	11	9,153,131	8,586,695
Total		182,144,919	141,451,595
II.Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>	12		
(i) Tangible assets & Intangible assets		1,497,823	1,671,836
(b) Non-current investments	13		
(c) Deferred tax assets (net)	14	33,391	14,884
(d) Long term loans and advances	15	1,500,000	1,500,000
(e) Other non-current assets	16	18,208,354	14,812,921
(2) Current assets			
(a) Current investments	17	55,292,157	59,275,586
(b) Work-in-Progress	18	7,981,172	13,442,578
(c) Trade receivables	19	64,096,242	31,331,586
(d) Cash and cash equivalents	20	6,442,407	2,921,380
(e) Short-term loans and advances	21	12,831,778	12,385,718
(f) Other current assets	22	14,261,595	4,095,106
Total		182,144,919	141,451,595

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

P.B.Vijayaraghavan
Partner
Membership No.15103

Chennai, May 30, 2016

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
D.Sarojanamma
Director

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

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, 2016

Particulars	Note No.	31.03.2016	31.03.2015
I. Revenue from operations	23	263,895,813	147,769,129
II. Other Income	24	(81,177)	(93,905)
III. Total Revenue (I +II)		263,814,636	147,675,224
<i>IV. Expenses:</i>			
Cost of materials consumed	25	-	-
Purchase of Stock-in-Trade	26	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	-	-
Employee benefit expense	28	82,118,971	57,282,052
Financial costs	29	-	-
Depreciation and amortization expense	30	166,055	167,923
Other expenses	31	169,600,921	83,995,007
Total Expenses		251,885,947	141,444,981
V. Profit before exceptional and extraordinary items and tax	(III - IV)	11,928,689	6,230,243
VI. Exceptional Items	32	-	-
VII. Profit before extraordinary items and tax (V - VI)		11,928,689	6,230,243
VIII. Extraordinary Items	33	-	-
IX. Profit before tax (VII - VIII)		11,928,689	6,230,243
X. Tax expense:			
(1) Current tax		1,836,131	1,950,000
(2) Deferred tax		(18,507)	(14,884)
(3) Income Tax Previous Year		-	-
XV. Profit/(Loss) for the period		10,111,065	4,295,127
XVI. Earning per equity share:			
(1) Basic		2.55	1.08
(2) Diluted			

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
K.Parvathi
Managing Director

Sd/-
D.Sarojanamma
Director

P.B.Vijayaraghavan
Partner
Membership No.15103

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

Chennai, May 30, 2016

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2016

Particulars	As at	
	31-03-2016	31-03-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	11,928,713	6,230,243
Adjustments:		
Depreciation	166,055	167,923
Preliminary & Deferred revenue expenditure	-	-
(Profit/Loss on Sale of Fixed Assets (Net)	-	-
Intrest Paid	-	-
Operating Profit before working capital	12,094,768	6,398,166
Working Capital Changes :		
Trade and Other receivables	(37,461,780)	12,596,787
Loans and Advances	(446,084)	(22,283,515)
Trade and Other payables	25,350,694	7,053,848
	(462,402)	3,765,286
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and advance on Capital account	-	(24,794)
Increase/Decrease in Investments	3,983,429	(3,451,700)
Net Cash used in Investing activities	3,983,429	(3,476,494)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Process from issue of share capital	-	-
Share Premium	-	-
Subsidy received	-	-
Application money pending payment	-	-
Proceeds from borrowings (Net)	-	-
Preliminary issue expenditure	-	-
Dividend paid	-	-
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	3,521,027	288,792
Cash and cash equivalents at the beginning of the period	2,921,380	2,632,588
Cash and cash equivalents at the end of the period	6,442,407	2,921,380

for VIJAYARAGHAVAN & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

P.B.Vijayaraghavan
Partner
Membership No.15103

Sd/-
K.Parvathi
Managing Director

Sd/-
D.Sarojanamma
Director

Chennai, May 30, 2016

Sd/-
Mrs. P. Shivaleela Reddy
Company Secretary

Sd/-
Mr. K. Radha krishna Reddy
Director & CFO

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 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
Note - 2		
Reserves and Surplus		
Note 2 -		
RESERVES AND SURPLUSES		
Translation Reserve		
Balance brought forward from previous period	14,812,921	14,146,796
Additons/(Deletions)	3,395,434	666,125
Currency Translation Reserve	18,208,354	14,812,921
Profit and Loss Account		
Balance brought forward from previous year	78,841,166	74,546,039
Profit for the year	10,111,065	4,295,127
Balance carried forward	88,952,231	78,841,166
Summary of Reserves and Surpluses		
Balance brought forward from previous year	88,048,828	83,087,577
Additions	13,506,499	4,961,252
Deletions	-	-
Balance Carried Forward	101,555,327	88,048,828

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 3		
Money received against share warrants	-	-
Note - 4		
Long-term borrowings	-	-
Note - 5		
Deferred tax liabilities (Net)	5,900	5,900
Note - 6		
(c) Other Long term liabilities	-	-
Note - 7		
(d) Long term provisions	-	-
Note - 8		
(a) Short-term borrowings	-	-
Note - 9		
(b) Trade payables	-	-
Contract & Consultancy Charges Payable	23,085,788	1,983,437
Note - 10		
(c) Other current liabilities		
Other Current Liabilities	8,741,692	4,491,187
Cameo Corporate Services	3,081	5,243
Total Other Current Liabilities	8,744,773	4,496,430
Note - 11		
(d) Short-term provisions		
Provision for Income Tax	9,153,131	7,317,000
	9,153,131	8,586,695

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 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	354,084	362,042
Printer	16,891	16,891
Computer Software	1,706,700	1,706,700
Less : Accumulated Depreciation	(2,163,193)	(1,997,138)
Total Fixed Assets	1,497,823	1,671,836
Note- 13		
(b) Non-current investments	-	-
Note - 14		
(c) Deferred tax assets (net)	33,391	14,884
Note - 15		
(d) Long term loans and advances		
Sagar Power Pvt. Limited	1,500,000	1,500,000
Note - 16		
(e) Other non-current assets		
Translation Reserve - Asset	18,208,354	14,812,921
Note - 17		
(a) Current investments	-	-
SUBSIDIARY		
PARTNERSHIP FIRM		
ERP Info Systems	41,692,157	45,675,586
Yashavee Investment Consultants	13,600,000	13,600,000
Protech Hedge Fund		-
OTHERS		
	55,292,157	59,275,586

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 18		
(b) Work-in-Progress	7,981,172	13,442,578
Note - 19		
(c) Trade receivables		
Accounts Receivable	64,177,418	31,331,586
Total Receivable	64,177,418	31,331,586
Note - 20		
(d) Cash and cash equivalents		
Cash at hand	843,437	782,962
Cash at Bank	5,598,970	2,138,418
Total Cash and cash equivalents	6,442,407	2,921,380
Note - 21		
(e) Short-term loans and advances		
Advances : Staff Loan	254,332	187,773
Advances : Sky Solutions Corp	527,664	-
Advances : Kingmaker Technologies	1,000,000	1,000,000
Advance Income Tax	4,261,131	2,575,000
TDS Receivable	-	774
- Income Tax refund received A.Y 2013-14	-	(750)
Tax Planning International	3,250,317	3,066,959
Advances Others	3,538,334	5,555,962
Total Short term Loans & advance	12,831,778	12,385,718
Note - 22		
(f) Other current assets		
Other current Assets	14,261,595	4,095,106
Total Other Current Assets	14,261,595	4,095,106

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 23		
I. Revenue from operations		
Sales & Consulting Income	263,895,813	147,769,129
Total Revenue from operations	263,895,813	147,769,129
Note - 24		
II. Other Income		
Interest Income	-	-
Income from Capital Gains	-	-
Other Oncome	-	-
Foreign Exchange Gain/Loss	(81,177)	(202,499)
Gain/Loss on investments redumption	-	108,594
	(81,177)	(93,905)
Note - 25		
Cost of materials consumed	-	-
Note - 26		
Purchase of Stock-in-Trade	-	-
Note - 27		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-
Note - 28		
Employee benefit expense		
Staff Salary & Bonus	74,781,025	57,234,665
Staff Welfare	7,337,946	47,387
Total Employee benefit expense	82,118,971	57,282,052

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 29		
Financial costs	-	-
Note - 30		
Depreciation and amortization expense		
- Furniture & Fittings	-	1,819
- Computer Peripharals	21,905	20,429
- Computer Software	75,160	76,218
- Printer	1,747	2,214
- Air-Conditioner	3,578	3,578
- Furniture & Fittings	-	-
- Motor Cycle	3,325	3,325
- Car	60,340	60,340
Total Depreciation	166,055	167,923

ERP SOFT SYSTEMS LIMITED

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

(In Rupees)

Particulars	31-3-2016	31-3-2015
Note - 31		
Other expenses		
Advertisement	382,047	110,883
Audit Fees	19,350	15,000
Automobile Expenses	355,368	75,808
Bank Service Charges	91,243	42,162
Business Development	562,964	-
Employee Visa Cost	6,302,585	6,827,201
Books and Periodicals	106,214	32,993
Contract/Consulting Charges	143,038,840	60,524,854
Communication Expenses	364,647	281,725
Consultancy Fees	-	-
Client Reimbursement	907,574	275,928
Dues and Subscriptions	51,387	91,227
Donation	11,200	26,692
Payroll Processing charges	141,919	58,186
Electricity Charges	21,024	10,520
Insurance	4,161,221	737,498
Interest on TDS	142	-
Licenses and other fees	46,299	119,425
Listing Fees	229,000	224,720
Miscellaneous	43,500	51,733
Marketing Expenses	1,434,449	-
Office Maintenance	36,549	95,438
Professional Fees	33,000	50,700
Postage & Delivery	28,803	6,307
Office Supplies	211,718	79,811
Repairs and Maintenance	250,604	524,978
Rent	386,034	832,062
Software Purchase others	19,284	124,483
Small Equipment	92,542	106,173
Share Transfer Expenses	33,639	15,100
Travelling and Conveyance	9,789,334	10,035,800
Rates & Taxes	24	2,362,586
Website	80,330	111,140
Training Expenses	368,090	143,874
	169,600,921	83,995,007
Note - 32		
VI. Exceptional Items	-	-

ERP SOFT SYSTEMS LIMITED

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120TN1994PLC029563
Name of the company : ERP SOFT SYSTEMS LIMITED
Registered office : A-21, Anna Nagar, Chennai 600 102,
India - 600102

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address : _

E-mail Id :

Signature:, or failing him

2. Name :

Address:

E-mail Id :

Signature:, or failing him

3. Name :

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Thursday, 29th day of September, 2016 at 11.00 a.m. at A-21, Anna Nagar, Chennai 600102, India 600102 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

ERP SOFT SYSTEMS LIMITED

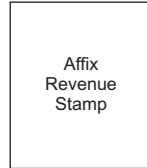
Resolutions:

1. Approval of financial statements ((including consolidated financial statements) for the year ended 31.03.2016.
2. Appointment of Mrs. K. Parvathi Reddy, who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.
4. Re-appointment of Mrs. K Parvathi Reddy as Managing Director of the Company.
5. Re-appointment and continuation of Mrs. D. Sarojanamma as Whole time Director of the Company.
6. Re-appointment and continuation of Mrs. D. Kowsalyamma as Whole time Director of the Company.
7. Re-appointment and continuation of Mr. K. Radhakrishna Reddy as Whole time Director cum CFO of the Company.

Signed this day of..... 2016

Signature of shareholder

Signature of Proxy holder(s)



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

ERP SOFT SYSTEMS LIMITED

A-21, Anna Nagar, Chennai 600 102, India, 600102

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 22nd Annual General Meeting of the members to be held on Thursday, 29th day of September, 2016 at 11.00 a.m. at A-21, Anna Nagar, Chennai 600 102, India 600102 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

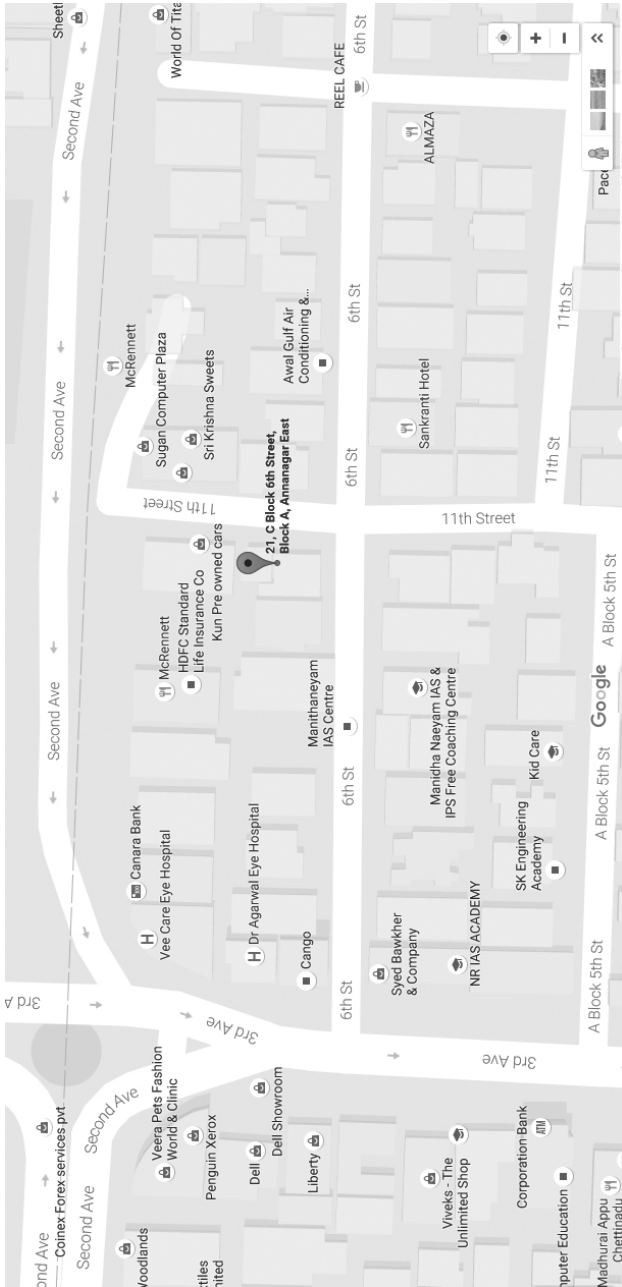
Folio No./ Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

ROUTE MAP FOR AGM VENUE



If undelivered please return to :

ERP Soft Systems Limited

A-21, Anna Nagar

Chennai 600 102, India.