

# ERP SOFT SYSTEMS LIMITED

---

To,

Date: 17.10.2018

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Annual report for the year 2017-18  
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2017-18 as approved by the shareholders in the AGM held on 28.09.2018 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,  
For ERP Soft Systems Limited

*D. Kowsalyamma*



D. Kowsalyamma  
Whole-time Director  
DIN: 00908641

Encl. as above



# **ERP SOFT SYSTEMS LIMITED**

**24th  
ANNUAL REPORT  
2017-18**

---

---

# 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 - Whole-time Director & CFO  
(DIN: 02634480)
5. \*Mr. P.V. Srinivasa Rao - Independent Director (DIN: 02280725)
6. Mrs. R. Kamala Mohan - Independent Director (DIN: 02596829)
7. # Mr. Babulu Gangisetty - Additional Director (DIN: 06396852)

\*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.08.2018

### COMPANY SECRETARY

Mrs. P. Shivaleela Reddy (Resigned w.e.f 20.04.2018)

### REGISTERED OFFICE

ERP Soft Systems Limited  
A-21, Anna Nagar  
Chennai 600 102, India  
Ph: 044 49526969, 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. S. Vishnu & Co.,  
Chartered Accountants,  
23, Swagatham Apartments  
16/23, Shenoy Road,  
Nungambakkam  
Chennai-600 034

**INTERNAL AUDITOR**

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

**BANKERS**

ICICI Bank Limited  
T.Nagar Branch  
Bazullah Road  
Chennai – 600 017  
&  
ICICI Bank Limited  
A-78, Plot No 3211  
3<sup>rd</sup> Avenue, Anna Nagar Branch  
Chennai - 600102

**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. Kowsalyamma    | - | 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**

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### **RISK MANAGEMENT COMMITTEE:**

- |                         |   |          |
|-------------------------|---|----------|
| 1) Mrs. R. Kamala Mohan | - | Chairman |
| 2) Mrs. D. Sarojamma    | - | 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: aarthiconsultants@gmail.com

<b>LISTED AT</b>	: BSE Limited
<b>ISIN</b>	: INE308B01017
<b>WEBSITE</b>	: <a href="http://www.erpsoft.com">www.erpsoft.com</a>
<b>INVESTOR E-MAIL ID</b>	: <a href="mailto:investorcare@erpsoft.com">investorcare@erpsoft.com</a>

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Shareholders of ERP Soft Systems Limited will be held on Friday, the 28<sup>th</sup> day of September, 2018 at 11:00 a.m. at 10-A, Tranquil Nest Building, 3rd Main Road, Kamakoti Nagar, Pallikaranai, Chennai, Tamil Nadu – 600100 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2018, the Statement of Profit & Loss and Cash Flow Statement (including the 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 K. Radha Krishna Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. S. Vishnu & Co., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. S. Vishnu & Co., Chartered Accountants, Chennai be and is hereby appointed as the Statutory Auditors of the Company to hold the office **from the conclusion of this 24<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting of the Company** to be held in the year 2023 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

#### SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF MRS. RAJAN KAMALA MOHAN (DIN: 02596829) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Rajan Kamala Mohan (DIN: 02596829), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board is here by 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: 14.08.2018**

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### 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 22.09.2018 to 28.09.2018 (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.
8. Recent regulations require submission of Aadhar/PAN number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card/PAN details to the



---

---

## ERP SOFT SYSTEMS LIMITED

---

---

Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card/PAN details to the Company/ Registrar and Share Transfer Agents.

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. Aarthi 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 2017-18 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 2017-18 is being sent in the permitted mode.
15. Members may also note that the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.erpsoft.com](http://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](mailto:Investorcare@erpsoft.com)

#### **16. Voting through Electronic Means (E-Voting Facility)**

Pursuant to the provisions of Section 108 of the Act read with the rules there under and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 24<sup>th</sup> Annual General Meeting scheduled to be held on Friday, the 28<sup>th</sup> day of September, 2018 at 11:00 a.m. at 10-A , Tranquil Nest Building, 3rd Main Road, Kamakoti Nagar, Pallikaranai, Chennai, Tamil Nadu – 600100.

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the Authorized Agency to provide e-voting facilities.

Commencement of e-voting: From 25.09.2018 at 9.00 a.m.

End of e-voting: Up to 27.09.2018 at 5.00 p.m.

The cut-off date (i.e. the record date) for the purpose of e-voting is 21.09.2018.

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 14.08.2018 for the AGM scheduled to be held on 28.09.2018 at 11.00 a.m. which is enclosed herewith and is also made available on the website of the Company [www.erpsoft.com](http://www.erpsoft.com). Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 24th Annual General Meeting of the Company dated 14.08.2018.

#### **17. Procedure and instructions for e-voting**

- (i) The voting period begins on 9.00 a.m. on 25.09.2018 and will end at 5.00 p.m. on 27.09.2018. 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 21.09.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"><li>• 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.</li><li>• 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.</li></ul>
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"><li>• 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).</li></ul>

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- (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 for the relevant <ERP Soft Systems Limited> on which you choose to vote.
- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.

18. 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 21.09.2018.

19. 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.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

20. 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.
21. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 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: 14.08.2018**

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

**EXPLANATORY STATEMENT**  
**[Pursuant to Section 102 of the Companies Act, 2013]**

**ITEM NO.4:**

Mrs. Rajan Kamala Mohan is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 31/03/2003. Mrs. Rajan Kamala Mohan is the Chairman of Stakeholders Relationship Committee and Nomination and Remuneration Committee and member of the Audit Committee of the Board of Directors of the Company. Mrs. Rajan Kamala Mohan is a Graduate in Commerce.

Mrs. Rajan Kamala Mohan's term as an Independent Director of the company ends on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Rajan Kamala Mohan being eligible and offering herself for re-appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2024. A notice has been received from a member proposing Mrs. Rajan Kamala Mohan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mrs. Rajan Kamala Mohan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Rajan Kamala Mohan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Rajan Kamala Mohan as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Rajan Kamala Mohan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

---

---

# ERP SOFT SYSTEMS LIMITED

---

---

## BOARDS' REPORT

### To the Members,

The Directors have pleasure in presenting before you the 24<sup>th</sup> Board's Report of the Company together with the Audited Statements of Accounts for (both standalone and consolidated) the year ended 31<sup>st</sup> March, 2018.

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

The performance during the period ended 31<sup>st</sup> March, 2018 has been as under:

(Rs. in lakhs)

Particulars	Standalone	
	2017-18	2016-2017
Total Income	90.53	88.70
Total Expenditure	72.53	70.66
Profit Before Tax	18.00	18.04
Provision for Tax	5.34	6.72
Profit after Tax	12.67	11.32
Balance Carried to Balance Sheet	12.67	11.32

(Rs. in lakhs)

Particulars	Consolidated	
	2017-18	2016-2017
Total Income	2766.31	3524.60
Total Expenditure	2679.14	3370.26
Profit Before Tax	87.16	154.34
Provision for Tax	19.16	33.98
Profit after Tax	67.99	120.36
Balance Carried to Balance Sheet	67.99	120.36



**2. MATERIAL CHANGES AND COMMITMENTS:**

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. 14.08.2018)

**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. DIVIDEND:**

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

**5. RESERVES:**

The Company has not carried any amount to the reserves.

**6. BOARD MEETINGS:**

The Board of Directors duly met 5 (Five) times on 29.05.2017, 28.08.2017, 12.12.2017, 19.12.2017 and 13.02.2018.

**7. 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 Requirement) Regulations, 2015.

**8. DIRECTORS OR KMP APPOINTED OR RESIGNED.**

K. Radha Krishna Reddy retires by rotation and being eligible offers himself for re-appointment.

Mrs. P. Shivaleela Reddy has resigned as Company Secretary on 20.04.2018. Apart from this, there is no change in the directors or KMP. As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

<b>Name of the Director</b>	K. Radha Krishna Reddy	Rajan Kamala Mohan
<b>Date of Birth</b>	01.07.1936	30.10.1961
<b>Qualification</b>	U.G	Graduate
<b>Expertise in specific functional areas</b>	Management & Administration	HR & Administration
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	NIL	NIL
<b>No. of Shares held in the Company</b>	NIL	34,115
<b>Inter se relationship with any Director</b>	NIL	NIL

### 9. FAMILIARISATION PROGRAMMES:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.erpsoft.com](http://www.erpsoft.com)

### 10. COMPOSITION OF AUDIT COMMITTEE:

- I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- II. The terms of reference of the Audit Committee include a review of the following:
  - 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.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- 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, of 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:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements and
  7. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- 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.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- 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.
- III. The previous Annual General Meeting of the Company was held on 28.09.2017 and Chairman of the Audit Committee, attended previous AGM.
- IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of provisions of SEBI (LODR) Regulations 2015 relating to the composition of the Audit Committee.

During the financial year 2017-18, (4) four meetings of the Audit Committee were held on the 29.05.2017, 28.08.2017, 12.12.2017, 10.02.2018.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

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
#Mr. Babulu Gangisetty	Chairman	NED(I)	-	-

**NED (I)** : Non Executive Independent Director

**ED** : Executive Director

\*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.08.2018

### V. NOMINATION & REMUNERATION COMMITTEE

Terms of reference:

The main term of reference of the Committee is to approve the

---

---

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

### **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 shouldered, individual performance etc.

The details of remuneration paid to the Executive and Non-Executive Directors for the financial year 2017-18 are given below:

D. Sarojanamma and D. Kowsalyamma have drawn a remuneration of Rs. 6,00,000/- and Rs. 6,00,000/- for the year ended 31.03.2018 respectively.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc.,

During the year, the committee met on 13.02.2018.

The details of composition of the Committee are given below:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No. of meetings held</b>	<b>No. of meeting attended</b>
Mrs. R. Kamala Mohan	Chairman	NED(I)	1	1
*Mr. P.V. Srinivasa Rao	Member	NED(I)	1	1
Mrs. D. Kowsalyamma	Member	ED	1	1
#Mr. Babulu Gangisetty	Chairman	NED(I)	-	-

**NED (I)** : Non Executive Independent Director

**ED** : Executive Director

\*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.08.2018

**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.

1.2 **“Nomination and Remuneration Committee** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

2.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the 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 fulfil the following requirements:

- 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 may be prescribed, from time to time, under the Companies Act, 2013, 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 guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

### 1.3 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.
- 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 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.

### **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 Office or the managing director or the manager;
  - (ii) The company secretary;
  - (iii) The whole-time director;
  - (iv) The chief finance 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 and reg. 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) Commission (Applicable in case of Executive Directors)
- (iv) Retirement benefits
- (v) Annual performance Bonus

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**

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

3.2.1 The Board, on the recommendation of the Nomination and Remuneration 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 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..

### 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.

## VI. STAKEHOLDERS 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	ED
#Mr. Babulu Gangisetty	Member	NED(I)

\*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.08.2018

**NED (I):** Non Executive Independent Director

**ED:** Executive Director

### B) Powers:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

receipt of declared dividend and other allied complaints.

- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

The Company has designated an exclusive e-mail ID called Investorcare@erpsoft.com for complaints/grievances.

### VII. RISK MANAGEMENT COMMITTEE

#### A.) Composition:

The Details of composition of the Committee are given below:

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

**NED (I):** Non Executive Independent Director

**ED:** Executive Director

#### B) RISK MANAGEMENT POLICY:

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

#### 11. VIGIL MECHANISM:

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the

---

---

## **ERP SOFT SYSTEMS LIMITED**

---

---

provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

### **12. DIRECTOR'S RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors 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.

### **13. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

As on 31st March, 2018 the Company has a wholly owned subsidiary Company namely Libertycom LLC in USA. The Financial performance of the subsidiary company is mentioned in Form AOC- 1 in accordance with Section 129(3) of the Companies Act, 2013 which is annexed to this report.

Further, audited financial statements together with related information and reports of subsidiary have also been placed on the website of the Company at [www.erpsoft.com](http://www.erpsoft.com).

**14. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

No Company has become or ceased to be its subsidiary during the year.

**15. 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 annexed as a part of this Annual Report

**16. STATUTORY AUDITORS:**

M/s. S. Vishnu & Co., Chartered Accountants, were appointed as Statutory Auditors of the company in the 1/2018 Extra ordinary general meeting held on 12th day of January, 2018 to fill the casual vacancy caused by the resignation of M/s. Sirobushanam & Co., Chartered Accountants, Chennai and who holds office upto this Annual General Meeting.

M/s. S. Vishnu & Co., Chartered Accountants are eligible for reappointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the appointment of M/s. S. Vishnu & Co., Chartered Accountants as the statutory auditors of the Company for five years from the conclusion of this Annual General meeting till the conclusion of the 29th Annual General Meeting to be held in the year 2022-23.

**17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditors u/s 143(12).

**18. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, Secretarial audit report as provided by Mr Vivek Surana, Practicing Company Secretary is annexed to this Report as an

annexure.

**19. QUALIFICATIONS IN AUDIT REPORTS:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 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 and growth in the market expected in the coming years.

**(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2018 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks.

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

The required information as per Sec.134 (3) (m) 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 : Rs.87,84,138

Foreign Exchange Outgo : NIL

**21. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

**22. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

**23. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

The Board has appointed M/s Ashok Golechha & Co., Chartered Accountants, Chennai as Internal Auditors in its meeting held 29.05.2018 for the year 2018-19. Deviations are reviewed periodically and due compliances are ensured. Summary of significant Audit observations along with recommendations and its implementations are reviewed by the Audit committee and concerns, if any, are reported to Board.

**24. INSURANCE:**

The Company does not have any major fixed assets and accordingly it is not required to take any insurance policy.

**25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans, Guarantees or made any investments attracting the provisions of Section 186 of the Companies Act, 2013, during the year under review.

**26. CREDIT & GUARANTEE FACILITIES:**

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

**27. COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:**

Since the Company does not have the net worth of Rs. 500 Crore or more, or turnover of Rs. 1000 Crore or more, or a net profit of Rs. 5 Crore 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.

**28. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

**29. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your 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 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mrs. D. Sarojamma, Whole-time Director of the Company to the median remuneration of the employees is 1.92:1 and of Mrs. D. Kowsalyamma, Whole-Time director of the Company is 1.92:1.

**31. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance as envisaged in SEBI LODR Regulations is Not Applicable.

**32. SECRETARIAL STANDARDS**

The Company is in compliance with the applicable secretarial standards.

**33. 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: NA
2. Issue of shares with differential rights: NA



3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

**34. 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.

**35. CEO/ CFO CERTIFICATION**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2017-18 is annexed in this Annual Report.

**36. EMPLOYEE RELATIONS:**

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 a remuneration of Rs. 1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**37. BOARD EVALUATION:**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on

their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

### 38. DISCLOSURE UNDER THE 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. The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints at the beginning of the year: Nil
- No. of complaints received : Nil
- No. of complaints disposed off : Nil

### 39. 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 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: 14.08.2018**

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

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Certificate of Code of Conduct for the year 2017-18

The shareholders

#### **ERP Soft Systems Limited**

I, K. Parvathi Reddy, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

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

**Place: Chennai  
Date: 14.08.2018**

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY

To

The Board of Directors

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 2018 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 my 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, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I 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  
ERP Soft Systems Limited**

**Place: Chennai  
Date: 14.08.2018**

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

**Sd/-  
K. Radha Krishna Reddy  
Chief Financial Officer  
(DIN: 02634480)**

**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.**

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

**a. Industry structure and developments:**

Software and computing technology is transforming businesses in every industry around the world. The management pursue huge growth in cloud, analytical and engineering IT Services and ERP Soft will be able to take advantage of this trend.

**b. Opportunities and Threats:**

We believe our strengths give us the competitive advantage to solve the strategic challenges of business

**c. Segment-wise or product-wise performance**

(In Rs.)

Particulars	Standalone	Consolidated
<b>Revenue:</b>		
2017-18	90.53	2766.31
2016 – 17	88.69	3524.59
Growth%	1.02	(0.78)
<b>Income:</b>		
2017-18	12.67	67.99
2016-17	11.32	120.36
Growth%	1.12	(0.56)

**d. Outlook, Risks and concerns:**

Presently the outlook is very promising. Our success depends largely upon our highly-skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel. Our revenues are highly dependent on clients primarily located in the United States. New and changing corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.

**e. Internal control systems and their adequacy:**

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

conducted regularly to review the systems with respect to Security and its Adequacy. 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:**

Refer to the Board's report for the summary of the financial performance

**g. Material developments in Human Resources / Industrial Relations front, including number of people employed.**

Our employees are our most important assets. We believe that the quality and level of service that our professionals deliver. As at March 31, 2018, the company employed 11 employees, of which 11 were professionals from United States involved in service delivery to the clients, including trainees. The key aspects of our HR practice include recruitment, training and development, and compensation.

**h. Disclosure of Accounting Treatment:**

The Company has not carried out any treatment different from that prescribed in Accounting Standards.



---

---

**ERP SOFT SYSTEMS LIMITED**

---

---

**MGT 9****Extract of Annual Return****As on the Financial Year 31.03.2018****[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 Nagar chennai 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	Aarathi Consultants Private Limited 1-2-285, Domalguda Hyderabad – 500029 Tel No.: 04027638111/27634445 Fax: 040-27632184 E-mail: aarathiconsultants@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	9983	97.94

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt. (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1) :-</b>	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--
<b>(2) Foreign</b>									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1600000	420700	2020700	51.03	1600000	420700	2020700	51.03	--

## ERP SOFT SYSTEMS LIMITED

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	--	--	--	--	--	--	--	--	--
<b>2. Non Institutions</b>									
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	23675	199700	223375	5.64	23775	199600	223375	5.64	--
ii) Individual shareholders holding nominal share	0	1469200	1469200	37.10	0	1469200	1469200	37.10	--

## ERP SOFT SYSTEMS LIMITED

capital in excess of Rs 1 lakh									
c) Others (specify)	0	32000	32000	0.81	0	32000	32000	0.81	--
<b>Sub-total (B)(2):-</b>	23700	1915600	1939300	48.97	23800	1915500	1939300	48.97	--
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	23700	1915600	1939300	48.97	23800	1915500	1939300	48.97	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	1623200	2336800	3960000	100	1623800	2336200	3960000	100	--

### (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
		No. of shares	% of Total Shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of Total Shares of the company	% of shares pledged/encumbered to total shares	
1.	Nagaraju G	74200	1.87	--	74200	1.87	--	--
2.	Satish G	196500	4.96	--	196500	4.96	--	--
3.	Sivakumar Reddy K	75000	1.89	--	75000	1.89	--	--
4.	Chandana K	75000	1.89	--	75000	1.89	--	--
5.	D. Kowsalyamma	200000	5.05	--	200000	5.05	--	--
6.	D. Sreelatha	330000	8.33	--	330000	8.33	--	--

## ERP SOFT SYSTEMS LIMITED

7.	D. Venkata Siva Kumar Reddy	320000	8.08	--	320000	8.08	--	--
8.	K. Navaneethamma	200000	5.05	--	200000	5.05	--	--
9.	k. Parvathi Reddy	200000	5.05	--	200000	5.05	--	--
10.	D. Sarojanamma	350000	8.84	--	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		Cumulative shareholding during 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.	Name of the Shareholder	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.	Chandrikaben C Kothari				
	At the Beginning of the year	499800	12.62	499800	12.62
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc): Nil					
	At the End of the Year	499800	12.62	--	--
2.	Karasanlal C Kothari				
	At the Beginning of the year	399900	10.09	399900	10.09

## ERP SOFT SYSTEMS LIMITED

Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	399900	10.09	--	--
3	G Tech Stone Ltd	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	214700	5.42	214700	5.42
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	214700	5.42	--	--
4	Jayaben S Acharya	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	161900	4.08	161900	4.08
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	161900	4.08	--	--
5	Harish J Acharya	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	120000	3.03	120000	3.03
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	120000	3.03	--	--
6.	Rajuben K Kothari	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	97600	2.46	97600	2.46
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	97600	2.46	--	--
7.	Kamala Mohan R	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	34115	0.86	34115	0.86

## ERP SOFT SYSTEMS LIMITED

Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	34115	0.86	--	--
8.	Brindha S	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	34115	0.86	34115	0.86
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	34100	0.86	--	--
9.	Mohan R	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	32100	0.81	32100	0.81
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	32100	0.81	--	--
10.	Mohan S	<b>No. of Shares</b>	<b>% of total shares of The company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the Beginning of the year	30100	0.76	30100	0.76
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc):Nil					
	At the End of the Year	30100	0.76	--	--
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
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.	<b>K. Parvathi Reddy</b>				
	At the beginning of the year	200000	5.05	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): Nil					
	At the End of the year	200000	5.05	200000	5.05

## ERP SOFT SYSTEMS LIMITED

<b>2.</b>	<b>D. Sarojanamma</b>				
	At the beginning of the year	350000	8.84	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	350000	8.84
<b>3.</b>	<b>R. Mohan Kamala</b>				
	At the beginning of the year	34115	0.86	34115	0.86
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc): Nil				
	At the End of the year	34115	0.86	34115	0.86
<b>4.</b>	<b>D. Kowsalyamma</b>				
	At the beginning of the year	200000	5.05	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): Nil				
	At the End of the year	200000	5.05	200000	5.05
<b>5.</b>	<b>K. Radha Krishna Reddy</b>				
	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	-	-	-	-
<b>6.</b>	<b>P.V. Srinivasa Rao</b>				
	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	-	-	-	-
<b>7.</b>	<b>P. Shivaleela Reddy</b> <b>Company Secretary</b>				
	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

<b>V. INDEBTEDNESS</b>				
Indebtedness of the Company including interest outstanding/accrued but not due for payment <span style="float: right;">Rs. in Lakhs</span>				
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				
<b>Total (i+ii+iii)</b>	--	-	--	--
Change in Indebtedness during the financial year	--	8.18	--	8.18
Addition				
Net Change	--	8.18	--	8.18
<b>Indebtedness at the end of the financial year</b>	--	8.18	--	8.18
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	--	8.18	--	8.18
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<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	D. Sarojanamma	D. Kowsalyamma	12,00,000
		6,00,000	6,00,000	
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--
5.	Others, please specify	--	--	--
6.	Total (A)	6,00,000	6,00,000	--
7.	Ceiling as per the Act	--	--	--

## ERP SOFT SYSTEMS LIMITED

<b>B. Remuneration to other directors:</b>						
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	--	--	--	--	--
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>						
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	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	--	P. Shivaleela Reddy 1,80,000	--	1,80,000	
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please Specify					
6.	Total	--	1,80,000	--	1,80,000	

## ERP SOFT SYSTEMS LIMITED

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

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis: Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any: Form shall be signed by the persons who have signed the Board's report.

---

---

**ERP SOFT SYSTEMS LIMITED**

---

---

**Form AOC - 1****Statement containing salient features of the financial statements  
of Subsidiaries**

(Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: Libertycom, LLC
2. Reporting Period: 01.04.2017 to 31.03.2018
3. Reporting Currency: In Dollars

S.No.	Particulars	Libertycom, LLC
1.	Share Capital:	\$ 44,800
2.	Reserves and surplus for the year ending	1,413,412
3.	Total Assets	2,184,824
4.	Total Liabilities	738,330
5.	Investments	-
6.	Turnover (Income)	4,151,711
7.	Profit / loss before Taxation	107,306
8.	Provision for Taxation	21,461
9.	Profit / loss after Taxation	85,844
10.	Proposed Dividend	4,000
11.	% of Shareholding	100

1. Names of Subsidiaries which are yet to commence operation: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

As per our report of even date For and on behalf of the board of Directors of  
For S.Vishnu & Co., ERP Soft Systems Limited  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Place: Chennai  
Date: 29.05.2018

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Part B Associates and Joint Ventures : NIL

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
<b>1. Latest audited Balance Sheet Date</b>	-	-	-
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	-	-	-
<b>3. Shares of Associate or Joint Ventures held by the company on the year end</b>	-	-	-
No.	-	-	-
Amount of Investment in Associates or Joint Venture	-	-	-
Extent of Holding (in percentage)	-	-	-
<b>4. Description of how there is significant influence</b>	-	-	-
<b>5. Reason why the associate/joint venture is not consolidated</b>	-	-	-
<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	-	-	-
<b>7. Profit or Loss for the year</b>	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified”.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### STATEMENT SHOWING THE DETAILS PURSUANT TO SEC. 197 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Rule 5 (1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

Sl. No.	Particulars	Details
1.	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	The ratio of remuneration of Mrs. D. Sarojamma, Whole-time Director of the Company to the median remuneration of the employees is 1.92:1 and of Mrs. D. Kowsalyamma, Whole-Time director of the Company is 1.92:1.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	NIL
3.	The percentage increase in the median remuneration of employees in the financial year	NIL
4.	The number of employees on the rolls of the company	14
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration	There was no increase in the remuneration on managerial personnel during the year.
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Independent Auditors' Report

To the Members of ERP Soft Systems Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ERP Soft Systems Limited ("the company"), which comprise the Balance sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone Financial Statements").

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the companies (Indian accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act safeguarding of the assets of the Company and for preventing & detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view 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 the company's directors, 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 on these standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, of the state of affairs of the Company as at 31 March 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

### **Reports on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 2013 we give in the "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, We report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- b. In our opinion, proper books of accounts 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes In Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B" to this report;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

As per our report annexed  
For S.Vishnu & Co.,  
Chartered Accountants  
Firm Reg No.Q05179S

K.P VASANTHA KUMAR  
Partner  
Membership No. 024563

Place: Chennai  
Date: 29.05.2018

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### ANNEXURE – A TO THE AUDITOR' S REPORT

The Annexure referred to in our report to the members of ERP Soft Systems Limited ('the Company') for the year ended 31st March 2018.

On basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) All the assets have been physically verified by the management during the year.  
  
(c) The title deeds of immovable properties are held in the name of the company.
- (ii) The Company does not have any inventory; hence the provisions of clause 3(ii) of the Companies (Audit's Report) Order, 2016 are not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) to (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

as on 31st of March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there is no amount payable in respect of Income tax, Wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever is applicable, which have not been deposited on account of any disputes.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings from any financial institution as at the balance sheet date. The Company does not have borrowing from Bank and also the Company has not issued any debentures as at the balance sheet date.
- (ix) Based on our audit procedures and on the information given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loan. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

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

As per our report annexed  
For S.Vishnu & Co.,  
Chartered Accountants  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

K.P VASANTHA KUMAR  
Partner  
Membership No. 024563

**Annexure B to the Independent Auditor's Report of even date on the members of ERP Soft Systems Limited, on the standalone financial statements for the year ended 31 March 2018.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of**

**Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of ERP Soft Systems Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls

over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the

risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

As per our report annexed  
For S.Vishnu & Co.,  
Chartered Accountants  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

K.P VASANTHA KUMAR  
Partner  
Membership No. 024563



# ERP SOFT SYSTEMS LIMITED

## STANDALONE BALANCE SHEET AS AT 31st MARCH, 2018

(Rs in Lakhs)

	Note No.	As at	As at
		31-03-2018	31-03-2017
		Rs.	Rs.
<b>I. ASSETS:</b>			
(1) Non-Current Assets			
(a) Property, Plant and equipment	2	10.97	12.05
(b) Financial assets			
(1) Investment	3	589.44	589.44
(c) Deferred tax assets (net)		0.73	0.56
(2) Current Assets			
(a) Financial assets			
(1) Investment	4	31.00	10.00
(2) Trade Receivables	5	37.78	36.45
(3) Cash and Cash Equivalents	6	2.31	1.59
(4) Loans	7	61.61	57.64
(b) Other Current Assets	8	0.58	0.06
<b>Total</b>		<b>734.42</b>	<b>707.77</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds:			
(a) Equity Share Capital	9	396.00	396.00
(b) Other Equity	10	272.04	259.37
(2) Current Liabilities:			
(a) Financial liabilities			
(1) Borrowings	11	8.18	0.00
(b) Other Current Liabilities	12	13.53	13.24
(c) Provisions	13	44.67	39.17
<b>Total</b>		<b>734.42</b>	<b>707.77</b>
Significant accounting policies			
See accompanying notes are an integral part of the financial statements	1		

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

## ERP SOFT SYSTEMS LIMITED

### STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

(Rs in Lakhs)

	Note No	For the year ended 31-03-2018 Rs.	For the year ended 31-03-2017 Rs.
Revenue from operations	14	87.69	86.87
Other Income	15	2.84	1.82
<b>Total Revenue</b>		<b>90.53</b>	<b>88.69</b>
Expenses:			
a Employee benefits expenses	16	53.44	49.23
b Depreciation and amortization expenses	2	1.09	1.50
c Other expenses		18.01	19.94
<b>Total expenses</b>		<b>72.53</b>	<b>70.66</b>
Profit before tax		18.00	18.04
<b>Tax Expenses</b>			
(1) Current tax		5.50	7.00
(2) Deferred tax		(0.17)	(0.28)
<b>Profit/(loss) for the period</b>		<b>12.67</b>	<b>11.32</b>
<b>Other Comprehensive (Income)/Loss</b>			
<b>Total Comprehensive (Income)/Loss for the period</b>		<b>12.67</b>	<b>11.32</b>
Earnings per share:			
(1) Basic		0.32	0.29
(2) Diluted		0.32	0.29
Significant accounting policies			
See accompanying notes are an integral part of the financial statements	1		

As per our report of even date For and on behalf of the board of Directors of  
For S.Vishnu & Co., ERP Soft Systems Limited  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

Place: Chennai  
Date: 29.05.2018

## ERP SOFT SYSTEMS LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2018

(Rs in Lakhs)

Particulars	Year ended March 31,2018	Year ended March 31,2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax	18.00	18.04
<b>Non-Cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expenses	1.09	1.50
(Profit/Loss on Sale of Fixed Assets (Net)	0.00	(1.53)
<b>Operating Profit before working capital Changes</b>		
Decrease/(increase) in Trade receivables and Other Current Assets	(1.86)	(0.16)
Decrease/(increase) in Loans	(3.97)	(15.50)
Increase/(decrease)In Borrowings and Other Current Liabilities	8.47	5.85
Cash generated from operations	<b>21.72</b>	<b>8.19</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Fixed Assets (including capital WIP) and	0.00	279450.00
Increase/Decrease in Investments	(21.00)	(10.00)
Net Cash used in Investing activities	<b>(21.00)</b>	<b>7.21</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
	0.00	0.00
Net Increase in cash and cash equivalents during the period	0.73	15.40
Cash and cash equivalents at the beginning of the period	1.59	0.60
Cash and cash equivalents at the end of the period	2.31	1.59

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Place: Chennai  
Date: 29.05.2018

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

# ERP SOFT SYSTEMS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

(Rs in Lakhs)

Particulars			
<b>A: EQUITY SHARE CAPITAL</b>			
For the year ended 31-03-2017	Balance as at 01-04-2016	Changes in equity share capital during the year	Balance as at 31-03-2017
	396.00	-	396.00
For the year ended 31-03-2018	Balance as at 01-04-2017	Changes in equity share capital during the year	Balance as at 31-03-2018
	396.00	-	396.00

**B: OTHER EQUITY**

Particular

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings		
	Opening balance as on 01-04-2016	-	-	248	
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Transfer to General Reserve	-	-	11	-	11.32
<b>Balance at 31-03-2017</b>	-	-	259	-	259.37

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings		
	Opening balance as on 01-04-2017	-	-	259.37	
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Net Profit for the year	-	-	18.00	-	18.00
<b>Balance at 31-03-2018</b>	-	-	277.37	-	277.37

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/- D.Sarojanamma Whole-time Director DIN: 05208974	Sd/- K. Parvathi Reddy Managing Director DIN: 00827258
---	---

Sd/-  
K. Radha Krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**1. Background**

ERP Soft Systems Limited was incorporated in 1994 having its registered office in No. A 21, Anna Nagar, Chennai-600102, Tamil Nadu State. The Company is into the business of Providing Software Support & Maintenance to the client. The Company has 100% Subsidiary company, liberty com LLC in USA is focusing on ERP, Business Intelligence/Analytics projects and staffing.

**Authorisation of financial statements**

The standalone financial statements are approved for issue by the Company's Board of Directors on 29th May 2018.

**2. Significant Accounting Policies**

**a. Statement of compliance&Basis of Preparation**

1. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

The financial statements up to year ended 31 March 2017 were prepared in accordance with Indian GAAP which includes Accounting standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2006, Rule 7 of the Companies (accounts) Rules 2014.

These financial statements are the first financial statements of the Company under Ind AS, refer note -pfor an explanation of how the transition from previous GAAP to Ind AS.

**2. Historical cost convention on an accrual basis**

The financial statements of the Company have been prepared and presented on a historical cost basis in accordance with IndAS except for the following:

- Certain financial assets and liabilities that are measured at fair values;

**b. Segment Reporting**

The operating segments have been identified on the basis of nature of service and the same are accordingly evaluated by the Board of Directors.

Company's primary operating segment is providing software Support & maintenance to the client. Company accordingly reports its financials under one segment 'providing software Support & maintenance to the client'.

**c. Foreign currency translations**

Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

**d. Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity.

**Interest Income**

Interest Income from a financial asset is recognised using Effective Interest Rate Method.

**Dividend Income**

Dividend Income is recognised when the Group's right to receive the amount has been established.

**e. Tax Expenses**

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**f. Cash and cashequivalents**

CashandcashequivalentintheBalanceSheetcomprisecashon handand balances withbanks in current and deposit accounts.

**Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of an on-cash nature, any deferralsoraccru alsofpastorfutur operating cash receipt sor payments and it emofincomeor expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**g. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party

**h. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Plant and Equipment having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **i. Provisions, Contingent liabilities, Contingent Assets**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **j. Employee Benefits**

There are no permanent employees eligible for retirement benefits and hence no provision has been made in the accounts for Gratuity, Leave encashment and other retirement benefits.

### **k. Earnings per share**

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of the same is given to arrive at diluted earnings per share.

### **l. Classification of Assets and Liabilities into current and Non-Current**

The Company presents its assets and liabilities in the Balance Sheet based on current /non-current classification.

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;



---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- c) expected to be realised within twelve months after the reporting period;  
or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- a) It is expected to be settled in normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

### **m. Current Assets and Loans and Advances**

In the opinion of the Management, Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

- n. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in

estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such estimates and judgments are included in the relevant notes together with the basis of calculation for relevant line item in the financial statements. Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances

**o. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**p. First-time adoption- mandatory exceptions, optional exemptions**

**Overall principle**

The company has prepared the opening balance sheet as per IND AS as of 1st April 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not permitted by IND AS, by reclassifying items from previous GAAP to IND AS as required under IND AS, and applying IND AS in measurement of recognised assets and liabilities. However this principle is subject to the certain exception and certain optional exemptions availed by the company as detailed below.

**Impairment of financial assets**

The company has applied the impairment requirements of IND AS 109 retrospectively; however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to IND AS, whether there have been significant increases in credit risk since initial recognition, as permitted by IND AS 101

**Deemed cost of property, plant and equipment and intangible assets**

The company has elected to continue with the carrying value of all its Property, plant and equipment and intangible assets, recognised as of 1st April 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Accounting for Investment in Subsidiary, Joint Venture and Associate**

The Company has availed the optional exemption under “Ind AS 101 First time Adoption of Indian Accounting standards” with respect to Investments in subsidiaries, joint ventures and associates. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

**Q. Contingent Liabilities: There are no Contingent liabilities as on date.**

**R. The Company has 100% Subsidiary in US namely Libertycom, LLC**

CIF value of import in respect of capital goods: Nil.

Expenditure and Earnings in Foreign Currency: Earnings-Rs.8784138 & Expenditure –Nil (Previous Year: Earnings-Rs.4740209 & Expenditure –Nil)

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.

**ERP SOFT SYSTEMS LIMITED**

**Note-2 : PROPERTY AND EQUIPMENT**

Description	Gross Block (Cost)						Depreciation			Net Block (Cost)		
	As at 1st April 2017	Addition	Disposal	As at 31st March 2018	As at 31st March 2017	For the Year	Disposal	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Computer & Peripherals	3.23	-	-	3.23	2.64	0.12	-	2.76	0.59	0.47	0.59	
Computer Software	17.07	-	-	17.07	7.62	0.75	-	8.37	9.45	8.70	9.45	
Printer	0.17	-	-	0.17	0.12	0.02	-	0.13	0.05	0.04	0.05	
Air - Conditioner	0.67	-	-	0.67	0.25	0.04	-	0.29	0.41	0.38	0.41	
Motor Cycle	0.35	-	-	0.35	0.23	0.03	-	0.27	0.12	0.08	0.12	
Mobile	0.42	-	-	0.42	0.01	0.02	-	0.03	0.41	0.39	0.41	
Genset & Power	1.11	-	-	1.11	0.10	0.11	-	0.20	1.01	0.91	1.01	
<b>Current Year</b>	<b>23.02</b>	<b>-</b>	<b>-</b>	<b>23.02</b>	<b>10.96</b>	<b>1.09</b>	<b>-</b>	<b>12.05</b>	<b>12.05</b>	<b>10.97</b>	<b>12.05</b>	

(Rs. in Lakhs)

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note-3 INVESTMENT

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Other Investment	589.44	589.44
	<b>589.44</b>	<b>589.44</b>

#### Note-4 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds Measured at FVTPL	31.00	10.00
	<b>31.00</b>	<b>10.00</b>

#### Note-5 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	37.78	36.45
	<b>37.78</b>	<b>36.45</b>

#### Note-6 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Balance with banks	2.25	1.35
b. Cash in hand	0.07	0.24
	<b>2.31</b>	<b>1.59</b>

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note-7 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Others	61.61	57.64
	<b>61.61</b>	<b>57.64</b>

#### Note - 8 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Others	0.58	0.06
	<b>0.58</b>	<b>0.06</b>

#### (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
Authorised Share Capital		
4500000 Equity share of Rs 10/-each	<b>450.00</b>	<b>450.00</b>
Issued, Subscribed and Paid Up		
3960000 Equity share of Rs 10/-each	<b>396.00</b>	<b>396.00</b>

---

---

**ERP SOFT SYSTEMS LIMITED**

---

---

**NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018****(B) Shares in the company held by each shareholder holding more than 5%:**

(Rs in Lakhs)

<b>Name of shareholder</b>	<b>No of shares at year end</b>	<b>No of shares at year end</b>
Kowsalyamma D	2.00	2.00
Duvvuru Sreelatha	3.30	3.30
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kakuturi Navaneethamma	2.00	2.00
Kallurupalli Parvathi Reddy	2.00	2.00
Sarojanamma D	3.50	3.50
Satish G	1.97	1.97
Karasanlal C Kothari	4.00	4.00
Chandrikaben C Kothari	5.00	5.00
G Techstone Ltd	2.15	2.15

(Rs in Lakhs)

<b>Name of shareholder</b>	<b>% as at year end</b>	<b>% as at year end</b>
Kowsalyamma D	5	5
Duvvuru Sreelatha	8	8
Duvvuru Venkata Sivakumar Reddy	8	8
Kakuturi Navaneethamma	5	5
Kallurupalli Parvathi Reddy	5	5
Sarojanamma D	9	9
Satish G	5	5
Karasanlal C Kothari	10	10
Chandrikaben C Kothari	13	13
G Techstone Ltd	5	5

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

**('C) The reconciliation of the number of shares outstanding is set out below:**

<b>Particular</b>	<b>As at 31-03-2018 No of shares</b>	<b>As at 31-03-2017 No of shares</b>
Equity Shares at the beginning of the year	39,60,000	39,60,000
Equity Shares at the end of the year	39,60,000	39,60,000

The Company has issued only one class of Equity Shares having per value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in India Rupees. The Dividend proposed By the Board of Director is subjects to the approval by the Shareholders at the Annual General Meeting.

#### Dividend

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the sharholders in the ensuing Annual General Meeting expect in case of interim dividend. The remittance of dividends outside India is governed by Indian Law on foreign exchange and is subject to applicable distribution taxes.

#### **Note: 10 OTHER EQUITY**

(Rs in Lakhs)

<b>PARTICULARS</b>	<b>As at 31-03-2018</b>	<b>As at 31-03-2017</b>
a. Balance in the begining of the reporting period	259.37	248.05
Total comprehensive income for the year	12.67	11.32
Closing Balance	<b>272.04</b>	<b>259.37</b>

#### **Note: 11 BORROWINGS**

(Rs in Lakhs)

<b>PARTICULARS</b>	<b>As at 31-03-2018</b>	<b>As at 31-03-2017</b>
a. Loans and advances from related parties	8.18	0.00
	<b>8.18</b>	0.00



## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

('C) The reconciliation of the number of shares outstanding is set out below:

#### Note-12 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Others	13.53	13.24
	<b>13.53</b>	<b>13.24</b>

#### Note - 13 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Provision for Income Tax	44.67	39.17
	<b>44.67</b>	<b>39.17</b>

#### Note-14 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
Sale of Services	87.69	86.87
	<b>87.69</b>	<b>86.87</b>

#### Note-15 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Net gain/loss on foreign currency transaction and translation	(1.11)	(0.84)
b. Net gain/loss on sale of Investments	1.35	0.06
c. Dividend Income	2.60	2.59
	<b>2.84</b>	<b>1.82</b>

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note-16 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Salaries and wages	53.21	48.87
b. Staff Welfare	0.23	0.36
	<b>53.44</b>	<b>49.23</b>

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Place: Chennai  
Date: 29.05.2018

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Independent Auditors' Report

To the Members of ERP Soft Systems Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of ERP Soft Systems Limited (“hereinafter referred to as the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as “the Consolidated Financial Statements”).

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements.

The respective Board of Directors of the Companies included in the Group and subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the ACT for safeguarding of the assets of group for preventing and detecting frauds and others irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company ,as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and based on the consideration of unaudited financial information of subsidiary as noted in the "Other matters" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and:

Based on the unaudited financial information certified by the management of holding company

the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of subsidiary Liberty Com LLC, U.S.A. whose financial statements/information reflect total assets of Rs.142109677/- as at March 31, 2018, total revenue of 267577796/- for the year ended March 31, 2018, as considered in the consolidated financial statements. These financial statements/information are unaudited and have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/information.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is subject to the unaudited financial statements/information of subsidiary as certified by the Management.

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

As required by Section 143 (3) of the Act, based on our audit and on the consideration of unaudited financial information of subsidiary, as noted in the "Other Matters" we report, to the extent applicable, that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the unaudited financial information of the subsidiary, as noted in the "Other Matters" paragraph:

The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group.

The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company in India during the year ended March 31, 2018.

The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

As per our report annexed  
For S.Vishnu & Co.,  
Chartered Accountants  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

K.P VASANTHA KUMAR  
Partner  
Membership No. 024563

# ERP SOFT SYSTEMS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

	Note No.	As at	As at
		31-03-2018	31-03-2017
		Rs.	Rs.
<b>I. ASSETS:</b>			
(1) Non-Current Assets			
(a) Property, Plant and equipment	2	10.97	12.09
(b) Financial assets			
(1) Investment	3	567.92	567.92
(c) Deferred tax assets (net)		0.73	0.56
(d) Other non-current assets	4	169.56	167.29
(2) Current Assets			
(a) Inventories	5	98.86	95.50
(b) Financial assets			
(1) Investment	6	31.00	10.00
(2) Trade Receivables	7	640.71	626.81
(3) Cash and Cash Equivalents	8	180.73	122.16
(4) Loans	9	156.31	150.41
(c) Other Current Asset	10	277.22	214.98
<b>Total</b>		<b>2134.01</b>	<b>1967.72</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds:			
(a) Equity Share Capital	11	396.00	396.00
(b) Other Equity	12	1191.39	1121.13
(2) Current Liabilities:			
(a) Borrowings	13	8.18	0.00
(b) Trade Payables	14	362.78	270.88
(c) Other Current Liabilities	15	30.53	53.92
(d) Provisions	16	145.12	125.79
<b>Total</b>		<b>2134.01</b>	<b>1967.72</b>
Significant accounting policies			
See accompanying notes are an integral part of the financial statements	1		

As per our report of even date For and on behalf of the board of Directors of  
 For S.Vishnu & Co., ERP Soft Systems Limited  
 Chartered Accountants

Sd/-  
 K.P. Vasanthakumar  
 Partner  
 M.No 024563  
 Firm Reg No.Q05179S

Sd/-  
 D.Sarojanamma  
 Whole-time Director  
 DIN: 05208974

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

Sd/-  
 K. Radha Krishna Reddy  
 Whole-time Director & CFO  
 DIN: 00827258

Place: Chennai  
 Date: 29.05.2018

## ERP SOFT SYSTEMS LIMITED

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in lakhs)

	Note No	For the year ended 31-03-2018 Rs.	For the year ended 31-03-2017 Rs.
Revenue from operations	17	2763.47	3522.78
Other Income	18	2.84	1.82
<b>Total Revenue</b>		<b>2766.31</b>	<b>3524.60</b>
Expenses:			
a Employee benefits expenses	19	908.25	1231.60
b Depreciation and amortization expenses	2	1.12	1.59
c Other expenses	20	1769.78	2137.06
<b>Total expenses</b>		<b>2679.15</b>	<b>3370.26</b>
Profit before tax		87.16	154.34
<b>Tax Expenses</b>			
(1) Current tax		19.33	34.26
(2) Deferred tax		(0.17)	(0.28)
<b>Profit/(loss) for the period</b>		<b>68.00</b>	<b>120.36</b>
<b>Other Comprehensive (Income)/Loss</b>			
<b>Total Comprehensive (Income)/Loss for the period</b>		<b>68.00</b>	<b>120.36</b>
Earnings per share:			
(1) Basic		1.72	3.04
(2) Diluted		1.72	3.04
Significant accounting policies			
See accompanying notes are an integral part of the financial statements	1		

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Sd/-  
K. Radha Krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258



## ERP SOFT SYSTEMS LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2018

Particulars	Year ended March 31,2018	Year ended March 31,2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax	87.16	154.34
<b>Non-Cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expenses	1.12	1.59
(Profit/Loss on Sale of Fixed Assets (Net)	-	(1.53)
<b>Operating Profit before working capital Changes</b>		
Decrease/(increase) in Trade receivables and Other Current Assets	(76.15)	(5.91)
Decrease/(increase) in Inventories	(3.36)	-
Decrease/(increase) Loans	(5.90)	(20.27)
Increase/(decrease)In Trade Payables	91.90	(8.35)
Increase/(decrease)In Borrowings and Other Current Liabilities	(15.20)	0.00
Cash generated from operations	<b>79.58</b>	<b>66.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to Fixed Assets (including capital WIP) and Increase/Decrease in Investments	-	2.89
	(21.00)	(11.82)
Net Cash used in Investing activities	<b>(21.00)</b>	<b>(8.93)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	58.57	57.74
Cash and cash equivalents at the beginning of the period	122.16	64.42
Cash and cash equivalents at the end of the period	180.74	122.16

As per our report of even date For and on behalf of the board of Directors of  
For S.Vishnu & Co., ERP Soft Systems Limited  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Place: Chennai  
Date: 29.05.2018

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

# ERP SOFT SYSTEMS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

Particulars			
<b>A: EQUITY SHARE CAPITAL</b>			
For the year ended 31-03-2017	Balance as at 01-04-2016	Changes in equity share capital during the year	Balance as at 31-03-2017
	396.00	-	396.00
For the year ended 31-03-2018	Balance as at 01-04-2017	Changes in equity share capital during the year	Balance as at 31-03-2018
	396.00	-	396.00

**B: OTHER EQUITY**

Particular

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>Opening balance as on 01-04-2016</b>	-	-	833	182.08	1015.55
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Transfer to General Reserve	-	-	120	(15)	106
<b>Balance at 31-03-2017</b>	-	-	954	167.29	1121.13

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>Opening balance as on 01-04-2017</b>	-	-	954	167.29	1121.13
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Net Profit for the year	-	-	68	2.26	70.26
<b>Balance at 31-03-2018</b>	-	-	1,022	169.56	1191.39

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-	Sd/-
D.Sarojanamma	K. Parvathi Reddy
Whole-time Director	Managing Director
DIN: 05208974	DIN: 00827258

Sd/-  
K. Radha Krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

#### Corporate Information

The Consolidated Financial Statements comprise financial statements of “ERP Soft Systems Limited” (“the Holding Company”) and its subsidiary (collectively referred to as “the Group”) for the year ended 31st March 2018.

The principal activities of the Group consist of Providing Software Support & maintenance to the client.

#### Authorisation of financial statements

The Consolidated financial statements are approved for issue by the Company's Board of Directors on 29<sup>th</sup> May 2018.

## 2. Summary of Significant Accounting Policies

### A. Statement of compliance & Basis of Preparation

1. The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

The Consolidated financial statements up to year ended 31 March 2017 were prepared in accordance with Indian GAAP which includes Accounting standards notified under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2006, Rule 7 of the Companies (accounts) Rules 2014.

These Consolidated financial statements are the first financial statements of the Company under Ind AS, refer note - R for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

### 2. Historical cost convention on an accrual basis

The Consolidated financial statements of the Company have been prepared and presented on a historical cost basis in accordance with IndAS except for the following:

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

- Certain financial assets and liabilities that are measured at fair values;

The Consolidated Financial Statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements comprises of ERP Soft Systems Limited and its subsidiary, being the entity that it controls. Controls are assessed in accordance with the requirement of Ind AS 110 - Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when otherwise indicated.

### **B. Principles of Consolidation**

- (a) The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- (d) Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.
- (e) The unaudited financial statements of foreign subsidiary have been prepared in accordance with Ind AS.
- (g) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (h) The carrying amount of the parent's investment in each subsidiary is

offset (eliminated) against the parent's portion of equity in each subsidiary.

- (i) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

### **C. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Plant and Equipment having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided using straight-line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **D. Research and Development Expenditure**

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are charged to the Consolidated Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized.

### **E. Provisions, Contingent liabilities, Contingent Assets**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**F. Tax Expenses**

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**G. Foreign currency translations****Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

**H. Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity.

**Interest Income**

Interest Income from a financial asset is recognised using Effective Interest Rate Method.

**Dividend Income**

Dividend Income is recognised when the Group's right to receive the amount has been established.

**I. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

**J. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**First-time adoption- mandatory exceptions, optional exemptions****Overall principle**

The company has prepared the opening balance sheet as per IND AS as of 1st April 2016(the transition date) by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not permitted by IND AS, by reclassifying items from previous GAAP to IND AS as required under IND AS, and applying IND AS in measurement of recognised assets and liabilities. However this principle is subject to the certain exception and certain optional exemptions availed by the company as detailed below.

**Impairment of financial assets**

The company has applied the impairment requirements of IND AS 109 retrospectively; however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

information when determining, at the date of transition to IND AS, whether there have been significant increases in credit risk since initial recognition, as permitted by INDAS 101

### **Deemed cost of property, plant and equipment and intangible assets**

The company has elected to continue with the carrying value of all its Property, plant and equipment and intangible assets, recognised as of 1st April 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### **Accounting for Investment in Subsidiary, Joint Venture and Associate**

The Company has availed the optional exemption under “Ind AS 101 First time Adoption of Indian Accounting standards” with respect to Investments in subsidiaries, joint ventures and associates. Accordingly, the previous GAAP carrying amount of such investments as on transition date has been taken as deemed cost.

As per our report of even date For and on behalf of the board of Directors of  
For S.Vishnu & Co., ERP Soft Systems Limited  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Place: Chennai  
Date: 29.05.2018

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258



## ERP SOFT SYSTEMS LIMITED

Note 2  
**FIXED ASSETS (April 2017 to March 2018)**  
**Depreciation - Companies Act**

PARTICULARS	GROSS BLOCK		ACCUMULATED DEPRECIATION		NET BLOCK	
	As on	Additions	As on	Deletion	As on	As on
	April 01, 2017	March 31, 2018	April 01, 2017	March 31, 2018	March 31, 2018	March 31, 2017
Computer & Peripherals	3.54	0.00	2.91	0.00	0.16	0.47
Computer Software	17.07	0.00	7.62	0.00	0.75	8.70
Printer	0.17	0.00	0.12	0.00	0.02	0.04
Air - Conditioner	0.67	0.00	0.25	0.00	0.04	0.38
Motor Cycle	0.35	0.00	0.23	0.00	0.03	0.08
Mobile	0.42	0.00	0.01	0.00	0.02	0.39
Genset & Power	1.11	0.00	0.10	0.00	0.11	0.91
<b>Total</b>	<b>23.32</b>	<b>0.00</b>	<b>11.24</b>	<b>0.00</b>	<b>1.12</b>	<b>10.97</b>
						<b>12.09</b>

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note-3 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Other Investment	567.92	589.44
	<b>567.92</b>	<b>589.44</b>

#### Note-4 OTHER NON -CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Other Investment	169.56	167.29
	<b>169.56</b>	<b>167.29</b>

#### Note-5 INVENTORIES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Work-in-progress	98.86	95.50
	<b>98.86</b>	<b>95.50</b>

#### Note-6 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds	31.00	10.00
Measured at FVTPL	<b>31.00</b>	<b>10.00</b>

# ERP SOFT SYSTEMS LIMITED

## NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

### Note-7 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	640.71	626.81
	<b>640.71</b>	<b>626.81</b>

### Note-8 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Balance with banks	1.02	1.06
b. Cash in hand	179.72	121.11
	<b>180.74</b>	<b>122.16</b>

### Note-9 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Others	156.31	150.41
	<b>156.31</b>	<b>150.41</b>

### Note- 10 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
(Unsecured considered good)		
a. Others	277.22	214.98
	<b>277.22</b>	<b>214.98</b>

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

**Note: 11 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share**

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
Authorised Share Capital 4500000 Equity share of Rs 10/-each	<b>450.00</b>	<b>450.00</b>
Issued, Subscribed and Paid Up 3960000 Equity share of Rs 10/-each	<b>396.00</b>	<b>396.00</b>

**(B) Shares in the company held by each shareholder holding more than 5%:**

(Rs in Lakhs)

Name of shareholder	No of shares at year end	No of shares at year end
Kowsalyamma D	2.00	2.00
Duvvuru Sreelatha	3.30	3.30
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kakuturi Navaneethamma	2.00	2.00
Kallurupalli Parvathi Reddy	2.00	2.00
Sarojanamma D	3.50	3.50
Satish G	1.97	1.97
Karasanlal C Kothari	4.00	4.00
Chandrikaben C Kothari	5.00	5.00
G Techstone Ltd	2.15	2.15

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

(Rs in Lakhs)

Name of shareholder	% as at year end	% as at year end
Kowsalyamma D	5	5
Duvvuru Sreelatha	8	8
Duvvuru Venkata Sivakumar Reddy	8	8
Kakuturi Navaneethamma	5	5
Kallurupalli Parvathi Reddy	5	5
Sarojanamma D	9	9
Satish G	5	5
Karasanlal C Kothari	10	10
Chandrikaben C Kothari	13	13
G Techstone Ltd	5	5

**('C) The reconciliation of the number of shares outstanding is set out below:**

Particular	As at 31-03-2018 No of shares	As at 31-03-2017 No of shares
Equity Shares at the beginning of the year	39,60,000	39,60,000
Equity Shares at the end of the year	39,60,000	39,60,000

The Company has issued only one class of Equity Shares having per value of Rs 10/- each. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in India Rupees. The Dividend proposed By the Board of Director is subjects to the approval by the Shareholders at the Annual General Meeting.

#### Dividend

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the sharholders in the ensuing Annual General Meeting expect in case of interim dividend. The remittance of dividends outside India is governed by Indian Law on foreign exchange and is subject to applicable distribution taxes.

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note: 12 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Balance in the beginning of the reporting period	953.83	833.47
b. Total comprehensive income for the year	68.00	120.36
c. Foreign Currency Translation Reserve (FCTR)	167.29	182.08
d. Reserves	2.19	(14.31)
e. Capital	0.07	(0.48)
<b>Closing Balance</b>	<b>1191.39</b>	<b>1121.13</b>

#### Note: 13 BORROWINGS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Loans and advances from related parties	8.18	0.00
	<b>8.18</b>	<b>0.00</b>

#### Note-14 TRADE PAYABLES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Others	362.78	270.88
	<b>362.78</b>	<b>270.88</b>

#### Note-15 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Others	30.53	53.92
	<b>30.53</b>	<b>53.92</b>

## ERP SOFT SYSTEMS LIMITED

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note-16 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2018	As at 31-03-2017
a. Provision for Income Tax	145.12	125.79
	<b>145.12</b>	<b>125.79</b>

#### Note-17 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
Sale of Services	2763.47	3522.78
	<b>2763.47</b>	<b>3522.78</b>

#### Note-18 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Net gain/loss on foreign currency transaction and translation	(1.11)	(0.84)
b. Net gain/loss on sale of Investments	1.35	0.06
c. Dividend Income	2.60	2.59
	<b>2.84</b>	<b>1.82</b>

#### Note-19 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Salaries and wages	797.35	1079.42
b. Staff Welfare	110.89	152.18
	<b>908.25</b>	<b>1231.60</b>

---

---

## ERP SOFT SYSTEMS LIMITED

---

---

### NOTES TO THE ACCOUNTS AS AT 31st MARCH 2018

#### Note- 20 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2018	For the year ended 31-03-2017
	Rs.	Rs.
a. Contract/Consulting Charges	1627.44	1796.25
b. Others	142.35	340.82
	<b>1769.78</b>	<b>2137.06</b>

As per our report of even date  
For S.Vishnu & Co.,  
Chartered Accountants

Sd/-  
K.P. Vasanthakumar  
Partner  
M.No 024563  
Firm Reg No.Q05179S

Place: Chennai  
Date: 29.05.2018

For and on behalf of the board of Directors of  
ERP Soft Systems Limited

Sd/-  
D.Sarojanamma  
Whole-time Director  
DIN: 05208974

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

Sd/-  
K. Radha krishna Reddy  
Whole-time Director & CFO  
DIN: 00827258



---

---

## 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 24<sup>th</sup> Annual General Meeting of the Company, to be held **on Friday, 28<sup>th</sup> day of September, 2018 at 11.00 a.m. at**, No 10A, Tranquillnest, Kamakoti Nagar 3rd Main Raod, Pallikaranai - Chennai 600100 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

---

---

**ERP SOFT SYSTEMS LIMITED**

---

---

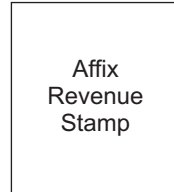
Resolutions:

1. Approval of financial statements for the year ended 31.03.2018.
2. Appointment of K. Radha Krishna Reddy, who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.
4. Re-appointment of Mrs. Rajan Kamala Mohan (din: 02596829) as independent director of the company:

Signed this ..... day of ..... 2018

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 24<sup>th</sup> Annual General Meeting of the members to be held on Friday, 28<sup>th</sup> day of September, 2018 at 11.00 a.m. at, No 10A, Tranquillnest, Kamakoti Nagar 3rd Main Raod, Pallikaranai - Chennai 600100 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.