

ERP SOFT SYSTEMS LIMITED

To,

Date: 06.09.2019

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

Dear Sir/ Madam,

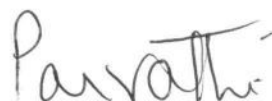
Sub: Annual report for the year 2018-19
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

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

Thanking you.

Yours faithfully,
For ERP Soft Systems Limited



K. Parvathi Reddy
Managing Director
DIN: 00827258



Encl. as above



ERP SOFT SYSTEMS LIMITED

**25th
ANNUAL REPORT
2018-19**

ERP SOFT SYSTEMS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mrs. K. Parvathi Reddy - Managing Director (DIN: 00827258)
2. Mrs. D. Sarojanamma - Non-Executive Director(DIN: 05208974)
3. Mr. K. Radha Krishna Reddy - Whole-time Director &CFO
(DIN: 02634480)
4. Mrs. R. Kamala Mohan - Independent Director (DIN: 02596829)
5. Mr.Babulu Gangisetty - Additional Director (DIN: 06396852)

COMPANY SECRETARY

Ms.Shivangi Choudhary

*appointed w.e.f. 08.04.2019

REGISTERED OFFICE

10A Trankquill Nest,
Kamakoti Nagar,
3rd Main Road Pallikaranai,
Chennai, India.
Ph: +91 73388 55022
info@erpsoft.com

USA:

LibertyCom LLC
415,Congress Street, Suite 202
Unit 2, Portland, ME-04101
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,
Nangambakkam
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
3rd Avenue, Anna Nagar Branch
Chennai - 600102

AUDIT COMMITTEE:

- | | | |
|------------------------------|---|----------|
| 1) Mr. Babulu Gangisetty | - | Chairman |
| 2) Mrs. R. Kamala Mohan | - | Member |
| 3) Mr. K. Radhakrishna Reddy | - | Member |

NOMINATION & REMUNERATION COMMITTEE:

- | | | |
|--------------------------|---|----------|
| 1) Mrs. R. Kamala Mohan | - | Chairman |
| 2) Mr. Babulu Gangisetty | - | Member |
| 3) Mrs. D. Sarojanamma | - | Member |

STAKEHOLDER RELATIONSHIP COMMITTEE:

- | | | |
|------------------------------|---|----------|
| 1) Ms. R. Kamala Mohan | - | Chairman |
| 2) Mr. Babulu Gangisetty | - | Member |
| 3) Mr. K. Radhakrishna Reddy | - | Member |

INDEPENDENT DIRECTORS

- 1) Ms. R. Kamala Mohan
- 2) Mr. Babulu Gangisetty

RISK MANAGEMENT COMMITTEE:

- | | | |
|-------------------------------|---|----------|
| 1) Mrs. R. Kamala Mohan | - | Chairman |
| 2) Mrs. D. Sarojanamma | - | Member |
| 3) Mr. K. Radha Krishna Reddy | - | Member |

ERP SOFT SYSTEMS LIMITED

REGISTRAR & SHARE TRANSFER AGENTS

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

LISTED AT : BSE Limited
ISIN : INE308B01017
WEBSITE : www.erpsoft.com
INVESTOR E-MAIL ID : investorcare@erpsoft.com

ERP SOFT SYSTEMS LIMITED

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of ERP Soft Systems Limited will be held on Monday, the 30th day of September, 2019 at 10:00 a.m. at registered office of the company 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 31st, 2019, 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 Mrs. D. Sarojanamma (DIN: 05208974), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mrs. K. Parvathi Reddy (DIN: 00827258) Managing Director for a period of three years with effect from 12.08.2019 to 11.08.2022 at a remuneration of Rs. 50,000 p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc., within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during her tenure the Company shall pay to Mrs. K. Parvathi Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to

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the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

4. REAPPOINTMENT OF MR. K. RADHAKRISHNA REDDY AS WHOLE-TIME DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 196,197 read with Schedule V and any other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or reenactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. K. Radhakrishna Reddy (DIN: 026344480) Whole-time Director cum CFO Director for a period of three years with effect from 12.08.2019 to 11.08.2022 at a remuneration of Rs. 50,000p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc., within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.”

"RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. K. Radhakrishna Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

5. APPOINTMENT OF MR. BABLU GANGISETTY AS INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the

following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act, 2013 and rules made there under, Mr.Bablu Gangisetty (holding DIN: 06396852), who was appointed as ‘Additional Director’ in the category of non-executive independent director in the Board of the Company on 14th November, 2018. pursuant to the provision of Section 161 (1) of the Companies Act, 2013 (“the Act”) read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which annual general meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr.Bablu Gangisetty as a candidate for the office of a Director of the Company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years commencing from the date of his appointment as Additional Director i.e. 14.11.2018 up to 13.11.2023.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

6. CONTINUATION OF MRS. D. SAROJANAMMA (DIN:05208974) AS NON-EXECUTIVE DIRECTOR:

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

“RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for continuation of Mrs. D. Sarojamma, who has exceeded the age of 75 years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

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7. CONTINUATION OF MR. K. RADHAKRISHNA REDDY (DIN:02634480) AS WHOLE-TIME DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for continuation of holding of office by Mr.K. Radhakrishna Reddy, Whole-Time Director cum CFO who has already attained the age of 70 (Seventy) years upto the expiry of his present term of office, on the existing terms and conditions."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution."

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

**Place: Chennai
Date: 14.08.2019**

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

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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 21.09.2019 to 30.09.2019 (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 circular requires 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

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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(Aarhi Consultants Pvt Limited)

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 **Aarhi Consultants Pvt Limited.**, 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 2018-2019 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 2018-2019 is being sent in the permitted mode.
15. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website www.erpsoft.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication,

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members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: Investorcare@erpsoft.com

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

Pursuant to the provisions of Section 108 of the Act read with the rules thereunder 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 25th Annual General Meeting scheduled to be held on Monday, the 30th day of September, 2019 at registered office of the company 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. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 27.09.2019 at 9.00 A.M.**

End of e-voting: **Up to 29.09.2019 at 5.00 P.M.**

The cut-off date (i.e. the record date) for the purpose of e-voting is 20.09.2019.

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 14.08.2019 for the AGM scheduled to be held on 30.09.2019 which is enclosed herewith and is also made available on the website of the Company 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 25th Annual General Meeting of the Company.

Procedure and instructions for e-voting

(i) The E-voting period begins on 27.09.2019 (9.00 A.M) and ends on

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29.09.2019(5.00 P.M). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20.09.2019 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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 and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (i) Click on the EVSN for the relevant <ERP SOFT SYSTEMS LIMITED>on which you choose to vote.
- (ii) 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.
- (iii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (iv) 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.
- (v) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (vi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (vii) 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.
- (viii) 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.
- (ix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (x) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help Section or write an email to helpdesk.evoting@cdslindia.com.

2. OTHER INSTRUCTIONS:

- (i). Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- (ii) The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 20.09.2019.
- (iv) The Company has appointed M/s. Vivek Surana & associates, Practising Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
- (v) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.
- (vi) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.

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- (vii) If a Member casts votes by both modes, then voting done through e-voting shall prevail.
- (viii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.erpsoft.com and on the website of CDSL and will be communicated to the BSE Limited.
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
19. Relevant documents referred to in the accompanying Notice, as well as Annual Report 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. upto the date of Annual General Meeting.
20. 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.
21. 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**

Sd/-

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

**Place: Chennai
Date: 14.08.2019**

ERP SOFT SYSTEMS LIMITED

EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO 3:

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

Mrs K. Parvathi Reddy (DIN: 00827258) was appointed as Managing Director of the Company for a period of 3 years from 12th August 2016 to 11th August 2019 at the 22nd Annual General Meeting held on 29th September 2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14.08.2019, approved the re-appointment of Mrs K. Parvathi Reddy (DIN:00827258) as Managing Director of the Company for a term of three years commencing from 12.08.2019 to 11.08.2022 with a remuneration of Rs. 50,000 per month.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 3 of the notice for reappointment of Mrs K. Parvathi Reddy.

Save and except Mrs. K. Parvathi Reddy Chairman and Managing Director, being an appointee and Mrs. D. Sarojanammabeing herrelative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

1	Nature of Industry : Software and Consulting Industry			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year1995			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
	Turnover	108.98	90.53	88.69
	Net profit/loss after Tax	15.35	12.67	11.32
5	Foreign investments or collaborations, if any: Not Applicable			

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II. INFORMATION ABOUT THE APPOINTEE:

1	Background Details: K Parvathi Reddy is associated with company since incorporation and has 25 years of experience in the Industry.
2	Past Remuneration: No remuneration is drawn by Mrs. K. Parvathi Reddy
3	Recognition or awards : --Nil
4	Job Profile and his suitability: Keeping the past record of Mrs. K. Parvathi Reddy in mind and her contribution towards the Company, it is proposed to re-appoint her as Managing Director of the Company.
5	Remuneration proposed: As set out in the resolutions for the item No.3 the remuneration to Mrs. K. Parvathi Reddy, Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.
6	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration of the size of the Company, the profile of Mrs. K. Parvathi Reddy and the responsibilities shouldered on her, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration, She is holding 2,00,000 Equity Shares of the Company.

III. OTHER INFORMATION:

1. Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the

growth of the business as well as the profitability.

3. Expected increase in productivity and profit in measurable terms:

The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

ITEM NO 4

REAPPOINTMENT OF MR K. RADHAKRISHNA REDDY AS WHOLE-TIME DIRECTOR OF THE COMPANY

Mr K. Radhakrishna Reddy(DIN: 02634480) was appointed as Whole-time Director of the Company for a period of 3 years from 12th August 2016 to 11th August 2019 at the 22nd Annual General Meeting held on 29th September 2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14.08.2019, approved the re-appointment of Mr K. Radhakrishna Reddy(DIN: 02634480) as Whole-time Director of the Company for a term of three years commencing from 12.08.2019 to 11.08.2022 with a remuneration of Rs. 50,000per month.

Accordingly the Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 4 of the notice for reappointment of Mr K. Radhakrishna Reddy.

Save and except Mr K. Radhakrishna Reddy,Whole-time Director, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

ERP SOFT SYSTEMS LIMITED

1	Nature of Industry : Software and Consulting Industry			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1995			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
	Turnover	108.98	90.53	88.69
	Net profit/loss after Tax	15.35	12.67	11.32
5	Foreign investments or collaborations, if any: Not Applicable			

II. INFORMATION ABOUT THE APPOINTEE:

1	Background Details: Mr.K. Radhi Krishna associated with the company from last 3 years and has experience in the industry of last 10 years in the Industry
2	Past Remuneration: No remuneration is drawn by Mr K. Radhakrishna Reddy, Whole-time Director at present.
3	Recognition or awards : --NIL
4	Job Profile and his suitability: Keeping the past record of Mr K. Radhakrishna Reddy in mind and his contribution towards the Company, it is proposed to re-appoint him as Wholetime Director of the Company.
5	Remuneration proposed: As set out in the resolutions for the item No.4 the remuneration to Mr K. Radhakrishna Reddy, Whole-time Director has the approval of the Nomination and Remuneration Committee and Board of Directors, is within the limits specified under Schedule V of Companies Act.

ERP SOFT SYSTEMS LIMITED

6	<p>Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):</p> <p>Taking into consideration of the size of the Company, the profile of Mr K. Radhakrishna Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.</p>
7	<p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:</p> <p>Besides the remuneration, he is not holding any Equity Shares of the Company.</p>

III. OTHER INFORMATION:

1. Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits in the initial years. All this expenditure will result in to revenues over a period of next two to three years.
2. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3. Expected increase in productivity and profit in measurable terms:

The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

ITEM No. 5

APPOINTMENT OF MR. BABLU GANGISETTY AS INDEPENDENT DIRECTOR OF THE COMPANY:

Mr. Bablu Gangisetty was appointed as Additional Director on 14th November, 2018 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which annual

ERP SOFT SYSTEMS LIMITED

general meeting should have been held, whichever is earlier and be eligible for appointment to the office of a Director at General Meeting in terms of Section 160 of the Companies Act, 2013. The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Bablu Gangisetty for the office of Director in Independent category.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Bablu Gangisetty as 'Non-executive Independent Director' for a term up to 5 consecutive years commencing from the date of his appointment as Additional Director i.e. 14th November, 2018 upto 13th November, 2023.

Accordingly the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 5 of the notice for appointment of Mr. Bablu Gangisetty

Save and except Mr. Bablu Gangisetty, Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

ITEM NO 6:

CONTINUATION OF MRS. D. SAROJANAMMA (DIN:05208974) AS NON-EXECUTIVE DIRECTOR:

As per Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 requires appointment or continuance of any person as Non-Executive Director of a listed Company who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution.

Mrs. D. Sarojanamma (DIN: 05208974), Non-Executive Director of the Company has joined the Board of Directors of the Company on 11.11.2011. Pursuant to provisions of the Companies Act, 2013, Mrs. D. Sarojanamma was re-appointed as an Executive Director in the Annual General Meeting held on 29.09.2016 to hold office for 3 years from 12.08.2019 to 11.08.2022. Mrs. D Sarojanamma has changed its designation to Non-Executive Director with effect from 27.03.2019. Her continuation as Non-executive Director requires special resolution to be passed in terms of SEBI LODR (Amendment) Regulations, 2018 since she has already attained the age of 75 years.

ERP SOFT SYSTEMS LIMITED

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 6 of the notice for continuation of Mrs. D. Sarojanamma

Save and except Mrs. D. Sarojanamma Non-Executive Director, and Mrs. K. Parvathi Reddy relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

ITEM NO 7:

CONTINUATION OF MR. K. RADHAKRISHNA REDDY (DIN:02634480) AS WHOLE-TIME DIRECTOR OF THE COMPANY:

Mr.K. Radhakrishna Reddy, Whole-Time Director cum CFO has already attained the age of 70 years. The Company seeks consent of the members by way of special resolution for continuation as Whole-Time Director cum CFO even after attaining the age of 70 years during his tenure of Office under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 7 of the notice for continuation of Mr.K. Radhakrishna Reddy.

Save and except Mr.K. Radhakrishna Reddy, Whole-time Director cum CFO (DIN:02634480), none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

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

Sd/-

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

**Place: Chennai
Date: 14.08.2019**

ERP SOFT SYSTEMS LIMITED

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Directors' Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March 2019.

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

The performance of the Company during the year has been as under:

(Rs. in lakhs)

Particulars	Standalone	
	2018-19	2017-18
Total Income	108.98	90.53
Total Expenditure	88.23	72.53
Profit Before Tax	20.75	18.00
Provision for Tax	5.39	5.34
Profit after Tax	15.35	12.67
Balance Carried to Balance Sheet	15.35	12.67

(Rs. in lakhs)

Particulars	Consolidated	
	2018-19	2017-18
Total Income	1954.38	2766.31
Total Expenditure	1910.23	2679.14
Profit Before Tax	44.15	87.16
Provision for Tax	10.21	19.16
Profit after Tax	33.94	67.99
Balance Carried to Balance Sheet	33.94	67.99

REVIEW OF OPERATIONS:

During the year under review, the company has achieved sales and other income of Rs.108.98 Lakhs and net profit of Rs.15.35 Lakhs as compared to sales and other income of Rs. 90.53 Lakhs and net profit of Rs.12.67 Lakhs achieved in the previous financial year.

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

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

3. RESERVES

During the year your Company has not transferred any amount to General Reserve Account.

4. DIVIDEND

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

UNPAID / UNCLAIMED DIVIDEND:

There is no unpaid or unclaimed dividend with the company.

5. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report. 14.08.2019)

6. BOARD MEETINGS:

The Board of Directors duly met Seven (7) times during the financial year from 1st April 2018 to 31st March 2019. The dates on which the meetings were held are 29.05.2018, 14.08.2018, 03.10.2018, 14.11.2018, 25.01.2019, 13.02.2019 and 27.03.2019.

7. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS / CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

- Mrs. D. Kowsalyamma, Whole-time Director of the company has resigned from the company w.e.f 27.03.2019.
- Mrs. D. Sarojamma, Director of the company is liable to retire by rotation and being eligible offers herself for reappointment.
- Mrs. Sarojamma designation has been changed from Whole-time Director to Non-Executive Director of the Company.

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- Mr.Kuldeep Narayan Gaikwad was appointed as company secretary and compliance officer of the Company on 03.10.2018 and resigned on 31.03.2019.
- Mr.Bablu Gangisetty, Independent Director was appointed as Independent Director with effect from 14.11.2018
- Ms.Shivangi Chowdhary was appointed as company secretary and compliance officer of the Company with effect from 08.04.2019.
- 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:-:

Name of the Director	Mrs. D. Sarojanamma	Mrs. K. Parvathi Reddy
Date of Birth	26.05.1931	26.05.1955
Qualification	UG	PG
Expertise in specific functional areas	Technical	Technical
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	-	-
No. of Shares held in the Company	-	200000
Inter se relationship with any Director	Mrs. D. Sarojanamma is mother of Mrs. K. Parvathi Reddy	Mrs. D. Sarojanamma is mother of Mrs. K. Parvathi Reddy

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Name of the Director	Mr. K. Radhakrishna Reddy	Mr. Bablu Gangisetty
Date of Birth	01.07.1936	01.07.1960
Qualification	U.G	BA BL
Expertise in specific functional areas	Management & Administration	Management & Administration
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL	NIL
No. of Shares held in the Company	NIL	NIL
Inter se relationship with any Director	-	-

8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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

9. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2018-19 are also disclosed on the Company's website at <https://www.erpsoft.com>

10. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification

required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013, and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management.

11. 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.

12. COMPOSITION OF COMMITTEES:

AUDIT COMMITTEE: (Audit Committee constituted in terms of sec. 177 of Companies Act, 2013 read with reg. 18 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, interalia, includes

1. Over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed.
2. Recommending the appointment and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
3. 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.
4. Reviewing the financial statement and draft audit report, including quarterly/half yearly financial information
5. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - i) Any changes in accounting policies and practices.
 - ii) Major accounting entries based on excises of judgment by the

management.

- iii) Qualifications in draft audit report.
- iv) Significant adjustment arises out of audit.
- v) The going concern assumption.
- vi) Compliance with accounting standards, stock exchange and legal requirement concerning financial statements.
- vii) Review and approval of related party transactions.
- 6. Reviewing the company's financial and risk management's policies.
- 7. Disclosure of contingent liabilities.
- 8. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- 9. 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.
- 10. Discussion with internal auditors of any significant findings and follow-up thereon.
- 11. 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.
- 12. 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.
- 13. Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE

There were four (4) Audit Committee Meetings held during the year on 29.05.2018, 14.08.2018, 14.11.2018 and 13.02.2019.

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Name	Designation	Category	No. of meetings held	No. of meeting attended
*Mr. P.V. SrinivasaRao	Chairman	NED(I)	4	1
Mrs. R. Kamala Mohan	Member	NED(I)	4	4
Mr. K. Radha Krishna Reddy	Member	ED	4	4
#Mr.BabuluGangisetty	Chairman	NED(I)	4	2

*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.11.2018

NED (I): Non Executive Independent Director

ED: Executive Director

C. The previous Annual General Meeting of the Company was held on 28.09.2018 and Chairman of the Audit Committee, attended previous AGM.

NOMINATION & REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

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

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Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

B. COMPOSITION OF THE COMMITTEE, MEETINGS & ATTENDANCE

There was one Nomination and Remuneration Committee Meetings held during the financial year on 13.02.2019

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mrs. R. Kamala Mohan	Chairman	NED(I)	1	1
*Mr. P.V. SrinivasaRao	Member	NED(I)	-	-
**Mrs. D. Kowsalyamma	Member	ED	1	1
#Mr.BabuluGangisetty	Member	NED(I)	1	1

*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.11.2018

NED (I): Non Executive Independent Director

ED: Executive Director

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 2018-19 are given below:

D. Sarojanamma and D. Kowsalyamma have drawn a remuneration of Rs. 6,00,000/- each for the year ended 31.03.2019.

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

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;

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- 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.

4.3 Other Directorships/ Committee Memberships

ERP SOFT SYSTEMS LIMITED

- 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. and 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

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.

C. 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 and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

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

2. Terms and References:

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

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

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

- 3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- 3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
- General understanding of the Company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 3.1.3 The proposed appointee shall also fulfill the following requirements:
- shall possess a Director Identification Number;
 - shall not be disqualified under the companies Act, 2013;
 - shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
 - shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
 - shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as any prescribed, from time to time, under the companies Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.
- 3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.
- 3.2 Criteria of Independence

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

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

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

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

ERP SOFT SYSTEMS LIMITED

- (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
 - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters , Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- 3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.
- 3.3 Other Directorships/ Committee Memberships
- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as Director in more than 20 companies of

ERP SOFT SYSTEMS LIMITED

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 as chairman of more than 5 committee across all companies in which he holds Directorships.

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

Remuneration policy for Directors, key managerial personnel and other employees:

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 and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

- 2.1 "Director" means a Director appointed to the Board of the Company.
- 2.2 "key managerial personnel" means
- (i) The Chief Executive Officer or the managing Director or the manager;
 - (ii) The Company Secretary;

- (iii) The Whole-time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

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

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the Company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

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

Companies Act.

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

3.3. Remuneration to other employees

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

D. MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and
- 3. Exceeds expectations.

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The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year April 2018 to March 2019, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 29.05.2018, 14.08.2018, 14.11.2018 and 13.02.2019.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mrs. R. Kamala Mohan	Chairman	NED(I)	4	4
*Mr. P.V. SrinivasaRao	Member	NED(I)	4	1
Mr. K. Radha Krishna Reddy	Member	ED	4	4
#Mr.BabuluGangisetty	Member	NED(I)	4	2

*Resigned w.e.f 14.08.2018

#Appointed w.e.f 14.11.2018

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-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.

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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

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Regulation 21 of SEBI (LODR) Regulations, 2015

A. ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

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

B. COMPOSITION

The composition of the Risk Management Committee as under:

Name	Designation	Category
Mrs. R. Kamala Mohan	Chairperson	NED(I)
Mrs. D. Sarojanamma	Member	NED
Mr. K. Radha Krishna Reddy	Member	ED

NED (I) : Non Executive Independent Director

ED: Executive Director

No meeting held during the year 2018-2019.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)© and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis;
5. That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year no amount was transferred to Investor Education and Protection Fund (IEPF).

14. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

As on 31st March, 2019 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.

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

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 is a part of this Annual Report in enclosed as Annexure-I.

16. STATUTORY AUDITORS:

M/s. S. Vishnu & Co., Chartered Accountants was appointed as the statutory auditors of the Company for five years from the conclusion of 24th Annual General meeting held on 28.09.2018 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. INTERNAL AUDITORS:

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s Ashok Golechha & Co., Chartered Accountants, Chennai as Internal Auditors for the financial year 2019-20.

19. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

20. SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries to undertake Secretarial Audit of the Company for financial year ending 31.03.2019. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

21. 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, 2019 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, 2019 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.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

23. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

The Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 except certain arm length transaction during the year. Accordingly no disclosure or reporting is required covered under this Section.

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

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

25. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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. 1,32,76,666

Foreign Exchange Outgo : NIL

26. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI(LODR) regulations, 2015a vigil Mechanism for Directors and employees to report genuine concerns has been established. It also provides for necessary safeguards for protection against victimization for whistle blowing in good faith.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The same has been placed on the website of the Company.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR, 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. PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec73, 74 & 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

29. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS/TRIBUNALS:

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

30. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

31. INSURANCE:

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

32. CREDIT & GUARANTEE FACILITIES:

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

33. SHARE CAPITAL

The authorised share capital of the Company stands at Rs.4,50,00,000/.

The paid up share capital of the Company stands at Rs. 3,96,00,000 /- divided into 39,60,000 equity shares of Rs.10/- each.

34. 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

ERP SOFT SYSTEMS LIMITED

Governance as envisaged in SEBI LODR Regulations is not applicable.

35. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation appended as **Annexure III** for information of the Members.

36. POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website (<https://www.erpsoft.com/investors/policies>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At ERP Soft Systems Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	www.erpsoft.com
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	www.erpsoft.com
Corporate Social Responsibility Policy	The policy is framed to outline the formation of the committee which directs the Company in implementing the programs relating to education and any other program as the Board may think fit.	www.erpsoft.com

ERP SOFT SYSTEMS LIMITED

Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	www.erpsoft.com
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37. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

38. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

39. 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. 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

40. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure IV** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure V**

During the year 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 specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

41. 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 and Mrs. D. Kowsalyamma, Whole-time Director to the median remuneration of the employees is 1.88:1.

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

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

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

43. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

44. 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

45. CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-2019 is annexed in this Annual Report.

46. 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: 14.08.2019	Sd/- K. Parvathi Reddy Managing Director (DIN: 00827258)	Sd/- K. Radha Krishna Reddy Whole-time Director cum CFO (DIN: 02634480)
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ERP SOFT SYSTEMS LIMITED

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19

The shareholders,

Code of Conduct

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

Certificate of Code of Conduct for the year 2018-2019 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-2019.

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

Sd/-

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

**Place: Chennai
Date: 14.08.2019**

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 2019 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: 14.08.2019

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

**Sd/-
K. Radha Krishna Reddy
Chief Financial Officer**

ERP SOFT SYSTEMS LIMITED

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

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

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

ERP SOFT SYSTEMS LIMITED

ANNEXURE -I FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[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	10A Trankquill Nest, Kamakoti Nagar, 3rd Main Road Pallikaranai, Chennai, India. Ph: +91 73388 55022
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Aarathi Consultants Private Limited 1-2-285, Domalguda Hyderabad – 500029 Tel No.: 04027638111/27634445 Fax: 040-27632184 E-mail: aarthiconsultants@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Providing Software Support & maintenance to the client	9983	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Liberty com LLC		Subsidiary Company	100	2(87)(ii)

ERP SOFT SYSTEMS LIMITED

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	1600000	420700	2020700	51.03	2020700	187400	2208100	55.76	4.73
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (1)	1600000	420700	2020700	51.03	2020700	187400	2208100	55.76	4.73
(2) Foreign					--	--	--	--	--
a) NRI Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter (A)=(A)(1) + (A)(2)	1600000	420700	2020700	51.03	2020700	187400	2208100	55.76	4.73
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
Sub Total (B) (1)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corporate									
i) Indian	25	214700	214725	5.42	25	--	25	0.00	(5.42)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--

ERP SOFT SYSTEMS LIMITED

i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	23775	199600	223375	5.64	33690	59900	93590	2.36	(3.28)
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	0	1469200	1469200	37.10	0	1654500	1654500	41.78	4.68
c) Others	0	32000	32000	0.81	85	3700	3785	0.09	(0.72)
i) IEPF	-	-	-	-	-	--	-	-	-
ii) Clearing members	-	-	-	-	85	-	85	0.00	-
iii) Non-Resident Indian (NRI)	0	32000	32000	0.81	-	3700	3700	0.09	(0.72)
Sub Total (B) (2)	23800	1915500	1939300	48.97	33800	1718100	1751900	44.24	(4.73)
Total Public Shareholding (B) = (B)(1) + (B) (2)	23800	1915500	1939300	48.97	33800	1718100	1751900	44.24	(4.73)
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A+B+C)	1623800	2336200	3960000	100	2054500	1905500	3960000	100	--

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% change in shareholding 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	-	-	-	-	(1.87)
2	Satish G	196500	4.96	-	-	-	-	(4.96)
3	Sivakumar Reddy K	75000	1.89	-	-	-	-	(1.89)
4	Chandana K	75000	1.89	-	-	-	-	(1.89)
5	D. Kowsalyamma	200000	5.05	-	-	-	-	(5.05)
6	D. Sreelatha	330000	8.33	-	1688100	42.63	-	34.3
7	D. Venkata Siva Kumar Reddy	320000	8.08	-	320000	8.08	-	-
8	K. Navaneethamma	200000	5.05	-	-	-	-	(5.05)
9	k. Parvathi Reddy	200000	5.05	-	200000	5.05	-	-
10	D. Sarojanamma	350000	8.84	-	-	-	-	(8.84)
	Total	2020700	51.03	-	2208100	55.76	-	4.73

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(iii) Change in Promoters' Shareholding:

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.	Nagaraju G				
	At the beginning of the year	74200	1.87	74200	1.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(74200)	(1.87)
	At the End of the year			-	-
2.	Satish G				
	At the beginning of the year	196500	4.96	196500	4.96
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(196500)	(4.96)
	At the End of the year			-	-

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3.	Sivakumar Reddy K	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	75000	1.89	75000	1.89
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(75000)	(1.89)
	At the End of the year			-	-
4.	Chandana K	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	75000	1.89	75000	1.89
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(75000)	(1.89)
	At the End of the year			-	-
5.	D. Kowsalyamma	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	2,00,000	5.05	2,00,000	5.05
	Date wise Increase / Decrease in Promoters Shareholding during the year	Transfer – (23.04.2018)		(2,00,000)	(5.05)

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	specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):				
	At the End of the year			-	-
6.	D. Sreelatha	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	330000	8.33	330000	8.33
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		1170700	29.56
		Acquisition (off market) 15.02.2019		187400	4.73
	At the End of the year			1688100	42.63
7.	K. Navaneethamma	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	200000	5.05	2,00,000	5.05
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(2,00,000)	(5.05)
	At the End of the year			-	-
8	D. Sarojanamma	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company

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	At the beginning of the year	350000	8.84	350000	8.84
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer /bonus/sweat equity etc.):	Transfer – (23.04.2018)		(350000)	(8.84)
	At the End of the year			-	-

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

Sl. No	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	D Vinaya	-	-	06.02.2019 and 14.02.2019	899700	off market purchase	899700	22.72
2.	Thikavarapu Nalini Reddy	-	-	29.03.2019	207900	off market purchase	207900	5.25
3.	Subramaniam Mohan	30115	0.00	08.02.2019	120000	off market purchase	150115	3.80
4.	Annam Surendranath	120000	3.03	-	-	-	120000	3.03
5.	T. Srinivasulu	99500	2.51	-	-	-	99500	2.51
6.	M. Paramesh	57400	1.45	29-Mar-2019	5400	purchase	62800	1.58
7.	R.Kamala Mohan	34100	0.86	-	-	-	34100	0.86
8.	S. Brindha	34100	0.86	-	-	-	34100	0.86
9.	R. Mohan	32100	0.81	-	-	-	32100	0.81
10.	Rajuben K Kothari	97600	2.46	15.02.2019 and 18.03.2019	83400	off market sale	14200	0.36

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(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase /Decrease in shareholding	Reason	No. of Shares	% of total Shares of the Company
A	Directors							
1	K. Parvathi Reddy	200000	5.05	-	-	-	200000	5.05
2	D. Sarojanamma	350000	8.84	23.04.2018	Decrease	Interse Transfer	-	-
3	R. Kamala Mohan	34115	0.86	-	-	-	34115	0.86
4	K. Radha Krishna Reddy	-	-	-	-	-	-	-
5	BabuluGangisetty	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
B.	KeyManagerial Personnel							
1.	P. Shivaleela Reddy (upto 20.04.2018)	-	-	-	-	-	-	-
	Mr.Kuldeep Narayan Gayakwad (03.10.2018 – 31.03.2019)	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	-	8.18	-	8.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	8.18	-	8.18
Change in Indebtedness during the financial year				
Addition				
Reduction		8.18	-	8.18

ERP SOFT SYSTEMS LIMITED

Net Change		(8.18)	-	(8.18)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

S.No	Particulars of Directors	D. Sarojana mma	D. Kowsalyamma		Total Amount (Rs)
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.	6,00,000	6,00,000		12,00,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	6,00,000	6,00,000	-	12,00,000
	Ceiling as per the Act	60,00,000	60,00,000	-	12000000

B. Remuneration to other Directors:

SL No	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
1	Independent Directors					
	Fee for attending Board /Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending Board/Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

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C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary P. Shivaleela Reddy	Company Secretary Kuldeep Narayan Gaikwad	Total (Rs)
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	-	15000	75000	90000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify.....	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	15000	75000	90000

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding Fees imposed	Authority (RD /NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board
ERP Soft Systems Limited

Place: Chennai
Date: 14.08.2019

Sd/-
K. Parvathi Reddy
Managing Director

Sd/-
K. Radha Krishna Reddy
Chief Financial Officer

FORM MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,
The Members
ERP Soft Systems Limited

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2018 and ended 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2019 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of

ERP SOFT SYSTEMS LIMITED

India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2018-19:-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures, wherever applicable.**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.erpsoft.com**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Aarthi Consultants Private Limited as its Share Transfer Agent.**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

ix. Other applicable laws include the following:

A) Information Technology Act, 2000 as amended from time to time.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a) During the year the Company has conducted 7 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
 - (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
 - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any

ERP SOFT SYSTEMS LIMITED

GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO, Mr. K. Radha Krishna Reddy.
- Ms. P. Shivaleela Reddy was resigned as company secretary and Compliance officer of the company with effect from 20.04.2018.
- Mr. Kuldeep Narayan Gaikwad was appointed as company secretary and compliance officer with effect from 03.10.2018 and resigned on 31.03.2019.
- The Company has internal auditors namely M/s. Ashok Golechha & Co, Chartered Accountants, Hyderabad.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Vivek Surana & Associates

Vivek Surana
Proprietor

M. No. A24531, C.P. No: 12901

Place: Hyderabad
Date :14.08.2019

ERP SOFT SYSTEMS LIMITED

Annexure A

To
The Members of
ERP Soft Systems Limited

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

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

For Vivek Surana & Associates

Vivek Surana
Proprietor

M. No. A24531, C.P. No: 12901

Place: Hyderabad
Date :14.08.2019

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

Rs. in lakhs

Particulars	Standalone	Consolidated
Revenue:		
2018-19	108.98	1954.38
2017-18	90.53	2766.31
Growth%	20%	(71%)
Income:		-
2018-19	15.35	33.94
2017-18	12.67	67.99
Growth%	21%	(50%)

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 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, 2019, the company employed 11 employees, of which 9 were professionals 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.

Details of significant changes in key financial ratios

Debtors turnover : 1.82 times

Current ratio: 0.73 times

Debt Equity: (0.02) times

Operating Profit Margin: (4.78) times

Net Profit Margin: 0.05 times

Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof: There is 0.68% change on return on net worth as compared to the immediately previous financial year.

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 Rule5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries : Libertycom,LLC
2. Reporting Period: 01.04.2018 to 31.03.2019
3. Reporting Currency: In Dollars

Amount in Dollars

S.No.	Particulars	Libertycom, LLC
1.	Share Capital:	\$ 44,800
2.	Reserves and surplus for the year ending	\$ 1,427,003
3.	Total Assets	\$ 1,663,754
4.	Total Liabilities	\$ 236,749
5.	Investments	-
6.	Turnover (Income)	\$ 2,637,998
7.	Profit / loss before Taxation	\$ 33,645
8.	Provision for Taxation	\$ 6,729
9.	Profit / loss after Taxation	\$ 26,916
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

For and on behalf of the Board,

Sd/-
K. Parvathi Reddy
Managing Director

Sd/-
D. Sarojanamma
Director

Sd/-
Shivangi Choudhary
Company Secretary &
Compliance Officer

Sd/-
K. Radha krishna Reddy
CFO

Place: Chennai
Date: 14.08.2019

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

ANNEXURE-IV

The details of remuneration during the year 2018-2019 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

Sl. No	Disclosure Requirement	Disclosure Details	
i.	Ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the Financial year	The ratio of remuneration of Mrs. D. Sarojanamma, Director of the Company to the median remuneration of the employees is 1.88:1 and of Mrs. D. Kowsalyamma, Whole-Time director of the Company is 1.88:1.	
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
			NIL
			NIL
			NIL
			NIL

iii. Percentage increase in the median remuneration of employees in the financial year 2018-2019: NIL

iv. Number of permanent employees on the rolls of the Company as on 31st March, 2019: 11.

viii. 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 point out if there are any exceptional circumstances for increase in the managerial remuneration:

ERP SOFT SYSTEMS LIMITED

The average annual increase in salaries of employees was NIL

Increase in the managerial remuneration for the year was NIL.

- xii. Affirmation that the remuneration is per the remuneration policy of the Company:

The Company is in compliance with its remuneration policy.

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

S.No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee at the time of joining the Company	The last employee in the company before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (ii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and share same as director or manager.
1	DuvvurKowsalyamma	Whole-time Director	Rs 50,000/month	Contractual	-	01.10.2017	93 Years	Nil	Nil	K.Parvathi Reddy
2	DuvvuruSarojanamma	Whole-time Director	Rs 50,000/month	Contractual	-	01.10.2017	88 Years	Nil	Nil	K.Parvathi Reddy
3	Ila RavendraBabu	Manager –Accounts	Rs 40,000/month	Contractual	B. Com (C.A)	16.11.2014	33 Years	Prasad & Srinath Chartered Accountants	Nil	N.A
4	Brinda S	Manager –Admin	Rs 30,000/month	Contractual	B.sc - Maths	03.06.2012	39 Years	Nobel Care	0.86%	N.A
5	SaddakKomala	Asst. Manager	Rs 27,500/month	Contractual	B.Com	02.05.2017	28 Years	N.A	Nil	N.A
6	Sankarajah S	Testing Engineer	Rs 27,900/month	Contractual	B.A(AES)	05.07.2018	39 Years	N.A	Nil	N.A
7	Sheik Mashhan	Developer	Rs 27,000/month	Contractual	BCA	07.03.2014	38 years	DVSR &Co	Nil	N.A
8	P.Mahesh	Systems Analyst	Rs 26,500/month	Contractual	Diploma in Computers	06.04.2014	38 years	AFSPDCL	Nil	N.A
9	Anudeep	QA Analyst	Rs 26,500/month	Contractual	B.Com (C.A)	01.10.2014	24 Years	N.A	Nil	N.A
10	T.Anusha	Network Administrator	Rs 24,500/month	Contractual	BCA	07.05.2016	27 Years	Cognizant Technology	Nil	N.A

ERP SOFT SYSTEMS LIMITED

Independent Auditors' Report

To the Members of ERP Soft Systems Limited

Opinion

We have audited the standalone financial statements of ERP Soft Systems Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure –A" a

ERP SOFT SYSTEMS LIMITED

statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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: 30.05.2019

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 2019.

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) There are no immovable properties 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 as on 31st of March, 2019 for a period of more

ERP SOFT SYSTEMS LIMITED

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 convertible debentures during the year under review. Accordingly, the

ERP SOFT SYSTEMS LIMITED

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

K.P VASANTHA KUMAR
Partner
Membership No. 024563

Place: Chennai
Date: 30.05.2019

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 2019.

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, 2019 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, 2019, 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: 30.05.2019

K.P VASANTHA KUMAR
Partner
Membership No. 024563

ERP SOFT SYSTEMS LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2019

(Rs in Lakhs)			
	Note No.	As at	As at
		31-03-2019	31-03-2018
		Rs.	Rs.
I. ASSETS:			
(1) Non-Current Assets			
(a) Property ,Plant and equipment	2	10.06	10.97
(b) Financial assets			
(1) Investment	3	574.44	589.44
(c) Deferred tax assets (net)		0.00	0.73
(2) Current Assets			
(a) Financial assets			
(1) Investment	4	44.69	31.00
(2) Trade Receivables	5	10.46	37.78
(3) Cash and Cash Equivalents	6	38.64	2.31
(4) Loans and advances	7	57.85	61.61
(b) Other Current Assets	8	4.14	0.58
Total		740.28	734.42
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Equity Share Capital	9	396.00	396.00
(b) Other Equity	10	287.39	272.04
(2) Current Liabilities:			
(a) Financial liabilities			
(1) Borrowings	11	0.00	8.18
(b) Other Current Liabilities	12	6.82	13.53
(c) Provisions	13	50.06	44.67
Total		740.28	734.42
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
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019

(Rs in Lakhs)			
	Note No	For the year ended 31-03-2019 Rs.	For the year ended 31-03-2018 Rs.
Revenue from operations	14	100.82	87.69
Other Income	15	8.16	2.84
Total Revenue		108.98	90.53
Expenses:			
a Employee benefits expenses	16	59.09	53.44
b Depreciation and amortization expenses	2	1.10	1.09
c Other expenses	17	28.04	18.01
Total expenses		88.23	72.54
Profit before tax		20.75	18.00
Tax Expenses			
(1) Current tax		5.39	5.50
(2) Deferred tax		0.00	-0.17
Profit/(loss) for the period		15.35	12.67
Other Comprehensive (Income)/Loss			
Total Comprehensive (Income)/Loss for the period		15.35	12.67
Earnings per share:			
(1) Basic		0.39	0.32
(2) Diluted		0.39	0.32
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
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2019

(Rs in Lakhs)

Particulars	Year ended March 31,2019	Year ended March 31,2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	20.75	18.00
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	1.10	1.09
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	24.53	(2.04)
Decrease/(increase) in Loans	3.76	(3.97)
Increase/(decrease)In Borrowings and Other Current Liabilities	(9.50)	14.14
Cash generated from operations	40.64	27.22
Direct Taxes paid (net of refunds)	5.39	(5.50)
Net Cash flow from/(used in)operating activities	35.25	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and	(0.20)	0.00
Decrease/(increase) in Investments	1.29	(21.00)
Net Cash used in Investing activities	1.09	(26.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
	0.00	0.00
Net Increase in cash and cash equivalents during the period	36.34	0.72
Cash and cash equivalents at the beginning of the period	2.31	1.59
Cash and cash equivalents at the end of the period	38.65	2.31

As per our report of even date

For S.Vishnu & Co.,

Chartered Accountants

Firm Reg No.005179S

(K.P. Vasanthakumar)

Partner

M.No 024563

Place: Chennai

Date: 30.05.2019

For and on behalf of the board of Directors of

ERP Soft Systems Limited

Sd/-

D. Sarojanamma

Director

DIN: 05208974

Sd/-

K. Radha krishna Reddy

Whole-time Director & CFO

DIN: 02634480

Sd/-

K. Parvathi Reddy

Managing Director

DIN: 00827258

Sd/-

Shivangi Choudhary

Company Secretary

ERP SOFT SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(Rs in Lakhs)

Particulars			
A: EQUITY SHARE CAPITAL			
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
For the year ended 31-03-2019	Balance as at 01-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
	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 01-04-2017	-	-	259.37	
Total Comprehensive Income for the year	-	-	12.67	-	12.67
Balance at 31-03-2018	-	-	272.04	-	272.04

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings		
	Opening balance as on 01-04-2018	-	-	272.04	
Total Comprehensive Income for the year	-	-	15.35	-	15.35
Dividends including tax on dividends	-	-	-	-	-
Net Profit for the year	-	-	-	-	-
Balance at 31-03-2019	-	-	287.39	-	287.39

As per our report of even date
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Background

ERP Soft Systems Limited was incorporated in 1994 having its registered office in No. A21, Anna Nagar, Chennai-600102, Tamil Nadu. 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 30th May 2019.

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 second financial statements of the Company under IndAS.

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 Ind AS 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 services 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 recognized using Effective Interest Rate Method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected useful life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend Income is recognized 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 cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash on hand and balances with banks 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 a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or 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 counterparty.

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;
- 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

ERP SOFT SYSTEMS LIMITED

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 recognized 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. 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.

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.

As per our report of even date
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

Description	Gross Block (Cost)						Depreciation				Net Block (Cost)	
	As at 1st April 2018	Addition	Disposal	As at 31st March 2019	As at 31st March 2018	For the Year	Disposal	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Computer & Peripherals	3.23	-	-	3.23	2.76	0.12	-	2.89	0.35	0.47		
Computer Software	17.07	-	-	17.07	8.37	0.75	-	9.12	7.95	8.70		
Printer	0.17	0.15	-	0.32	0.13	0.032	-	0.17	0.15	0.04		
Air - Conditioner	0.67	-	-	0.67	0.29	0.04	-	0.32	0.34	0.38		
Motor Cycle	0.35	-	-	0.35	0.27	0.03	-	0.30	0.05	0.08		
Mobile	0.42	-	-	0.42	0.03	0.02	-	0.05	0.37	0.39		
Genset & Power	1.11	-	-	1.11	0.20	0.11	-	0.31	0.80	0.91		
Furniture and fittings	0.00	0.05	-	0.05	0.00	0.005	-	0.005	0.04	0.000		
Current Year	23.02	0.20	-	23.21	12.05	1.10	-	13.15	10.06	10.97		

Note-2 : PROPERTY AND EQUIPMENT
Depreciation

(Rs in Lakhs)

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-3 INVESTMENT carried at cost

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a Equity investment in subsidiaries		
Unquoted		
LibertycomLLC (Facevalue of USD 1 each)	21.52	21.52
Equity investment in joint venture and associates		
ERP info Systems	416.92	416.92
Yashavee Investment Consultants	136.00	136.00
Sagar Power Private Limited		15.00
	574.44	589.44

Note-4 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a Investments in Liquid Scheme of mutual funds Measured at FVTPL	44.69	31.00
	44.69	31.00

Note-5 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	10.46	37.78
	10.46	37.78

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-6 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a Balance with banks	38.49	2.25
b Cash in hand	0.14	0.07
	38.64	2.31

Note-7 LOANS AND ADVANCES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Others	57.85	61.61
	57.85	61.61

Note -8 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Others	4.14	0.58
	4.14	0.58

Note: 9 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Authorised Share Capital		
4500000 Equity share of Rs 10/-each	450.00	450.00
Issued, Subscribed and Paid Up		
3960000 Equity share of Rs 10/-each	396.00	396.00

ERP SOFT SYSTEMS LIMITED

(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	0.00	2.00
Duvvuru Sreelatha	16.88	3.30
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kakuturi Navaneethamma	0.00	2.00
Kallurupalli Parvathi Reddy	2.00	2.00
Sarojanamma D	0.00	2.00
Satish G	0.00	3.50
Karasanlal C Kothari	0.00	1.97
Chandrikaben C Kothari	0.00	4.00
G Techstone Ltd	0.00	5.00
D Vinaya	9.00	2.15
Thikavarapu Nalini Reddy	2.08	

(Rs in Lakhs)

Name of shareholder	% as at year end	% as at year end
Kowsalyamma D	0	5
Duvvuru Sreelatha	43	8
Duvvuru Venkata Sivakumar Reddy	8	8
Kakuturi Navaneethamma	0	5
Kallurupalli Parvathi Reddy	5	5
Sarojanamma D	0	9
Satish G	0	5
Karasanlal C Kothari	0	10
Chandrikaben C Kothari	0	13
G Techstone Ltd	0	5
D Vinaya	23	0
Thikavarapu Nalini Reddy	5	0

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

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

Particular	As at 31-03-2019 No of shares	As at 31-03-2018 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.

Note: 10 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Balance in the begining of the reporting period	272.04	259.37
Total comprehensive income for the year	15.35	12.67
Closing Balance	287.39	272.04

Note: 11 BORROWINGS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Loans and advances from related parties	0.00	8.18
	0.00	8.18

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-12 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Others	6.82	13.53
	6.82	13.53

Note - 13 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Provision for Income Tax	50.06	44.67
	50.06	44.67

Note-14 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Sale of Services	100.82	87.69
	100.82	87.69

Note-15 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a . Net gain/loss on foreign currency transaction and translation	1.84	(1.11)
b. Net gain/loss on sale of Investments	3.53	1.35
c. Dividend Income	2.78	2.60
	8.16	2.84

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-16 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a Salaries and wages	58.48	53.21
b Staff Welfare	0.61	0.23
	59.09	53.44

Note-17 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Advertisement	0.42	0.45
Audit Fees	-	0.15
Bank Service Charges	0.10	0.09
Marketing Expenses	-	0.05
Communication Expenses	0.39	0.46
Vehicle Maintenance	0.53	0.34
Interest on TDS	0.00	0.02
Insurance	0.01	0.01
Electricity Charges	0.43	0.22
Listing Fees	3.00	2.50
e-voting Charges	0.03	0.04
Office Maintenance	0.98	0.54
Other Expenses	0.12	0.04
Professional Fees Others	2.72	0.58
Printing and Stationery	0.43	0.09
Repairs and Maintenance	0.71	1.22
Rent	6.64	3.00
ROC Charges	0.15	0.34
Service Charges	1.02	0.27
Stock Exchange Fee	0.20	0.29
Travel & Hotel Expenses	3.34	3.15
Professional / Consultancy Fees	6.60	4.18
Loss on sale of Car	-	-
Donation	0.10	-
Subscription and periodicals	0.13	-
	28.04	18.01

Independent Auditors' Report**To the Members of ERP Soft Systems Limited****Opinion**

We have audited the accompanying consolidated financial statements of ERP Soft Systems Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

ERP SOFT SYSTEMS LIMITED

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

ERP SOFT SYSTEMS LIMITED

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- We did not audit the financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets of Rs. 116933854/- as at 31st March, 2019, total revenues of Rs.184541454/- and cash and cash equivalents amounting to Rs.117.92 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss after tax of Rs.33.94 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the 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-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which

ERP SOFT SYSTEMS LIMITED

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, and the Consolidated Cash Flow Statement 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.
- In our opinion, the aforesaid consolidated financial statements comply with the 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 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company, is disqualified as on 31st March, 2019 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Group.
2. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2019.
3. 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, 2019.

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: 30.05.2019

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

	Note No.	As at	As at
		31-03-2019	31-03-2018
		Rs.	Rs.
I. ASSETS:			
(1) Non-Current Assets			
(a) Property ,Plant and equipment	2	10.03	10.97
(b) Capital Work-in-Progress		319.56	
(c) Financial assets			
(1)Investmnet	3	552.92	567.92
(d) Deferred tax assets (net)		0.00	0.73
(e) Other non-current assets	4	169.58	169.56
(2) Current Assets			
(a) Inventories	5	0.00	98.86
(b) Financial assets			
(1)Investment	6	44.69	31.00
(2) Trade Receivables	7	422.25	640.71
(3) Cash and Cash Equivalents	8	156.56	180.74
(4) Loans	9	208.37	156.31
(c) Other Current Asset	10	4.14	277.22
Total		1888.10	2134.01
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Equity Share Capital	11	396.00	396.00
(b) Other Equity	12	1271.88	1191.39
(2) Current Liabilities:			
(a) Borrowings	13	0.00	8.18
(b) Trade Payables	14	11.61	362.78
(c) Other Current Liabilities	15	47.01	30.53
(d) Provisions	16	161.60	145.12
Total		1888.10	2134.01
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
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019

(Rs. in lakhs)			
	Note No	For the year ended 31-03-2019 Rs.	For the year ended 31-03-2018 Rs.
Revenue from operations	17	1944.25	2763.47
Other Income	18	10.13	2.84
Total Revenue		1954.38	2766.31
Expenses:			
a Employee benefits expenses	19	815.85	908.25
b Depreciation and amortization expenses	2	1.14	1.12
c Finance Cost		0.07	
d Other expenses	20	1093.17	1769.78
Total expenses		1910.23	2679.15
Profit before tax		44.15	87.16
Tax Expenses			
(1) Current tax		10.21	19.33
(2) Deferred tax		0.00	(0.17)
Profit/(loss) for the period		33.94	68.00
Other Comprehensive (Income)/Loss			
Total Comprehensive (Income)/Loss for the period		33.94	68.00
Earnings per share:			
(1) Basic		0.86	1.72
(2) Diluted		0.86	1.72
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
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha Krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2019

Particulars	Year ended March 31,2019	Year ended March 31,2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	44.15	87.16
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	1.14	1.12
(Profit/Loss on Sale of Fixed Assets (Net)	-	0.00
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	491.54	(76.15)
Decrease/(increase) in Inventories	98.86	(3.36)
Decrease/(increase) Loans	(52.06)	(5.90)
Increase/(decrease)In Trade Payables	(351.17)	91.90
Increase/(decrease)In Borrowings and Other Current Liabilities	70.90	(15.20)
Cash generated from operations	303.35	79.58
Direct Taxes paid (net of refunds)	10.21	
Net Cash flow from/(used in)operating activities	293.14	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and	-	0.00
Increase/Decrease in Investments	2.05	(21.00)
	(317.31)	(21.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	-24.17	58.57
Cash and cash equivalents at the beginning of the period	180.73	122.16
Cash and cash equivalents at the end of the period	156.57	180.73

As per our report of even date
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

Sd/-
K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

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

Sd/-
Shivangi Choudhary
Company Secretary

ERP SOFT SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

Particulars

A: EQUITY SHARE CAPITAL

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

For the year ended 31-03-2019

	Balance as at 01-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
	396.00	-	396.00

B: OTHER EQUITY

Particular

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
	Total			Total	
Opening balance as on 01-04-2017	-	-	953.83	167.29	1121.13
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Net Profit for the year	-	-	68.00	2.26	70.26
Balance at 31-03-2018	-	-	1,021.83	169.56	1191.39

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
	Total			Total	
Opening balance as on 01-04-2018	-	-	1,022.00	0.00	1022.00
Total Comprehensive Income for the year	-	-	-	-	-
Dividends including tax on dividends	-	-	-	-	-
Net Profit for the year	-	-	33.94	46.55	80.49
Balance at 31-03-2019	-	-	1,021.83	46.55	1102.49

As per our report of even date

For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S

(K.P. Vasanthakumar)
Partner
M.No 024563

Place: Chennai
Date: 30.05.2019

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

Sd/-
D. Sarojanamma
Director
DIN: 05208974

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

Sd/-
K. Radha Krishna Reddy
Whole-time Director & CFO
DIN: 02634480

Sd/-
Shivangi Choudhary
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2019**Corporate Information**

The Consolidated Financial Statements comprise financial statements of “ERP Soft Systems Limited” (“the Holding Company”) and its subsidiary “LibertyCom LLC” (collectively referred to as “the Group”) for the year ended 31st March 2019.

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 30th May 2019.

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 second financial statements of the Company under Ind AS. 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:

- 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.

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. 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.

E. 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.

F. 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.

G. 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. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected useful life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

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

H. 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

I. 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.

ERP SOFT SYSTEMS LIMITED

Note 2
FIXED ASSETS (April 2018 to March 2019)
Depreciation - Companies Act

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on	As on	Disposal	As on	Depn for	As on	As on	As on	
	April 01, 2018	March 31, 2019		April 01, 2018	the period	March 31, 2019	March 31, 2019	March 31, 2018	
Computer & Peripherals	3.54	3.54	0.00	3.07	0.16	3.23	0.31	0.47	
Computer Software	17.07	17.07	0.00	8.37	0.75	9.12	7.95	8.70	
Printer	0.17	0.32	0.00	0.13	0.032	0.17	0.15	0.04	
Air - Conditioner	0.67	0.67	0.00	0.29	0.04	0.32	0.34	0.38	
Motor Cycle	0.35	0.35	0.00	0.27	0.03	0.30	0.05	0.08	
Mobile	0.42	0.42	0.00	0.03	0.02	0.05	0.37	0.39	
Genset & Power	1.11	1.11	0.00	0.20	0.11	0.31	0.80	0.91	
Furniture and fixtures	0	0.05	-		0.005	0.005	0.05	0.00	
Total	23.32	23.52	0.00	12.36	1.14	13.50	10.03	10.97	

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-3 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Other Investment	552.92	567.92
	552.92	567.92

Note-4 OTHER NON -CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Other Investment	169.55	169.56
	169.58	169.56

Note-5 INVENTORIES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Work-in-progress	0.00	98.86
	0.00	98.86

Note-6 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds	44.69	31.00
Measured at FVTPL	44.69	31.00

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-7 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	422.25	640.71
	422.25	640.71

Note-8 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Balance with banks	155.81	179.72
b. Cash in hand	0.75	1.02
	156.56	180.74

Note-9 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Others	208.37	156.31
	208.37	156.31

Note- 10 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
(Unsecured considered good)		
a. Others	4.14	277.22
	4.14	277.22

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

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

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Authorised Share Capital 4500000 Equity share of Rs 10/-each	450.00	450.00
Issued, Subscribed and Paid Up 3960000 Equity share of Rs 10/-each	396.00	396.00

(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	0.00	2.00
Duvvuru Sreelatha	16.88	3.30
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kakuturi Navaneethamma	0.00	2.00
Kallurupalli Parvathi Reddy	2.00	2.00
Sarojanamma D	0.00	3.50
Satish G	0.00	1.97
Karasanlal C Kothari	0.00	4.00
Chandrikaben C Kothari	0.00	5.00
G Techstone Ltd	0.00	2.15
D Vinaya	9.00	0.00
Thikavarapu Nalini Reddy	2.08	0.00

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

(Rs in Lakhs)

Name of shareholder	% as at year end	% as at year end
Kowsalyamma D	0	5
Duvvuru Sreelatha	43	8
Duvvuru Venkata Sivakumar Reddy	8	8
Kakuturi Navaneethamma	0	5
Kallurupalli Parvathi Reddy	5	5
Sarojanamma D	0	9
Satish G	0	5
Karasanlal C Kothari	0	10
Chandrikaben C Kothari	0	13
G Techstone Ltd	0	5
D Vinaya	23	0
Thikavarapu Nalini Reddy	5	0

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

Particular	As at 31-03-2019 No of shares	As at 31-03-2018 No of shares
Equity Shares at the beginning of the year	39600000	39600000
Equity Shares at the end of the year	39600000	39600000

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note: 12 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Balance in the beginning of the reporting period	1191.39	953.83
b. Total comprehensive income for the year	33.94	68.00
c. Foreign Currency Translation Reserve (FCTR)	37.08	167.29
d. Reserves	9.47	2.19
e. Capital	-	0.07
Closing Balance	1271.88	1191.39

Note: 13 BORROWINGS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Loans and advances from related parties	0.00	8.18
	0.00	8.18

Note-14 TRADE PAYABLES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Others	11.61	362.78
	11.61	362.78

Note-15 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Others	47.01	30.53
	47.01	30.53

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2019

Note-16 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2019	As at 31-03-2018
a. Provision for Income Tax	161.60	145.12
	161.60	145.12

Note-17 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Sale of Services	1944.25	2763.47
	1944.25	2763.47

Note-18 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a Net gain/loss on foreign currency transaction and translation	1.84	(1.11)
b Net gain/loss on sale of Investments	3.53	1.35
c Dividend Income	2.78	2.60
d Interest Income	0.02	0.00
e Tax Refund	1.96	0.00
	10.13	2.84

Note-19 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
a. Salaries and wages	694.02	797.35
b. Staff Welfare	121.83	110.89
	815.85	908.25

ERP SOFT SYSTEMS LIMITED

Note-20 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2019	For the year ended 31-03-2018
	Rs.	Rs.
Advertisement	0.42	3.80
Audit Fees	-	0.15
Automobile Expenses	0.56	0.77
Bank Service Charges	0.74	1.14
Business Development	-	0.05
Employee Visa Cost	8.63	14.44
Books and Periodicals	0.47	0.20
Contract/Consulting Charges	969.31	1,627.44
Communication Expenses	4.55	3.82
Client Reimbursement	-	-
Dues and Subscriptions	1.46	0.21
Dividend to Subsidiary	-	2.58
Payroll Processing charges	2.21	1.69
Electricity Charges	0.43	0.22
Insurance	23.93	9.49
Interest	0.07	-
Interest on TDS	0.00	0.02
Licenses and other fees	1.85	0.44
Listing Fees	3.00	2.50
Miscellaneous	0.99	0.38
Marketing Expenses	-	0.11
Office Maintenance	0.98	0.54
Professional Fees	9.32	6.33
Postage & Delivery	0.17	0.07
Office Supplies	1.85	0.32
Repairs and Maintenance	0.72	1.72
Rent	31.50	25.22
Software Purchase others	1.65	1.37
Small Equipment	1.24	10.23
Service Charges	1.02	0.27
Travelling and Hotel Expenses	8.78	42.95
Rates & Taxes	3.90	9.03
Website	1.83	1.69
Loss on sale of Car	-	-
ROC Filing Fee	0.15	0.34
Training Expenses	0.03	0.26
Lease	11.44	-
	1,093.17	1,769.78

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 : 10-A, Tranquil Nest Building, 3rd Main Road,
Kamakoti Nagar, Pallikaranai, Chennai,
Tamil Nadu – 600100

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 25th Annual General Meeting of the Company, to be held on Monday, 30th day of September, 2019 at 10.00 a.m. at registered office of the company at 10A, Tranquillnest, Kamakoti Nagar 3rd Main Road, Pallikaranai - Chennai 600100 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

ERP SOFT SYSTEMS LIMITED

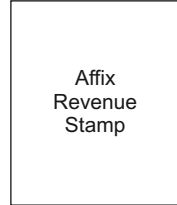
Resolutions:

1. Approval of financial statements for the year ended 31.03.2019.
2. Appointment of Mrs. D. Sarojanamma, who retires by rotation.
3. Reappointment of Mrs K. Parvathi Reddy as Managing Director of the Company
4. Reappointment of Mr K. Radhakrishna Reddy as whole-time Director of the Company
5. Appointment of Mr.Bablu Gangisetty as Independent Director of the Company

Signed this day of..... 2019

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 25th Annual General Meeting of the members to be held on Monday, 30th day of September, 2019 at 10.00 a.m. at registered office of the company at No 10A, Tranquillnest, Kamakoti Nagar 3rd Main Road, 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

10-A, Tranquil Nest Building, 3rd Main Road,
Kamakoti Nagar, Pallikaranai,
Chennai, Tamil Nadu – 600100