ERP SOFT SYSTEMS LIMITED

To,

Date: 29.08.2020

BSE Limited
P.J.Towers, Dalal Street
Mumbai - 400001

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2019-2020

Ref: Scrip Code 530909

With reference to the subject cited, pursuant to Regulation 34 of SEBI (LODR) Regulations 2015, we are herewith enclosing the 26th Annual Report for the Financial Year 2019-20 scheduled to be held on Friday, 25th Day of September,2020.

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

Thanking you.

Yours sincerely,
For ERP Soft Systems Limited

K. Parvathi Reddy
Managing Director
DIN: 00827258

ERP SOFT SYSTEMS LIMITED Chennai 600 100

Encl: as above

Registered Office : 10A, Tranquill Nest, Kamakoti Nagar, 3rd main road,
Pallikaranai - 600100,India Ph:+91 73388 55022
Mail Id : info@erpsoft.com. www.erpsoft.com



ERP SOFT SYSTEMS LIMITED

26th ANNUAL REPORT 2019-20

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 - Independent Director (DIN: 06396852)

COMPANY SECRETARY

Ms.Shivangi Choudhary

REGISTERED OFFICE

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

USA:

LibertyCom LLC
415,Congress Street, ME Suite 202Unit 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
A-78, Plot No 3211
3rd Avenue, Anna Nagar Branch
Chennai - 600102

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

1) Mrs. R. Kamala Mohan	-	Chairman
2) Mr.BabuluGangisetty	-	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

REGISTRAR & SHARE TRANSFER AGENTS

Aarthi Consultants Private Limited
1-2-285, Domalguda
Hyderabad – 500029

Tel No.: 04027638111/27634445
Fax: 040-27632184
E-mail: aarthiconsultants@gmail.com

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

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of ERP Soft Systems Limited will be held on Friday, the 25th day of September, 2020 at 10:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2020, 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.

For and on behalf of the Board
ERP Soft Systems Limited

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

Place: Chennai
Date: 17.08.2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.erpsoft.com.

7. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

8. The Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2020 to 25.09.2020 (Both days inclusive).

9. 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.

10. Shareholders holding shares in physical form may write to the company/company's R&T agents for any change in their address; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.

11. 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.

12. 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 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 (Aarthi Consultants Pvt Limited)

13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Aarthi Consultants Pvt. Ltd)

14. 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 Aarthi Consultants Pvt Limited., Share Transfer Agents of the Company for their doing the needful.

15. 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.

16. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.

17. 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.

18. 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.

19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

20. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2019 - 20 will also be available on the Company's website www.erpsoft.com for their download. For any communication, the shareholders may also send requests to the Company's investor email id: Investorcare@erpsoft.com.

21. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

22. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

24. Instructions for e-voting and joining the AGM are as follows:

A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

II. The remote e-voting period commences on 22nd day September, 2020 (9:00 a.m. IST) and ends on 24th day, September 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 18th day, September, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

V. The details of the process and manner for remote e-voting are explained herein below:

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

(ii) Click on Shareholders tab.

(iii) 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.

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

(v) 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.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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)	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. • 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).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <ERP Soft Systems limited> on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

B. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:

(i) 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.

(ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

(iii) 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.

(iv) 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.

(v) 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.

(vi) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viveksurana24@gmail.com and to the Company at the email address viz; Investorcare@erpsoft.com.

(vii) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

(i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

(ii) For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

(iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

E. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

(i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

(ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

(iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; Investorcare@erpsoft.com

(vi) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id,

mobile number at (company email id). These queries will be replied to by the company suitably by email.

(vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Shiva Prasad Venishetty, Senior Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

25. Mr. Vivek Surana, Practicing Company Secretary, bearing C.P. Number 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

26. 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 within 2 days of passing of the resolutions at AGM and will be communicated to the BSE Limited.

27. 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.

28. Relevant documents referred to in the accompanying Notice, as well as Annual Report and are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

29. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 18.09.2020.

30. 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

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

Place: Chennai
Date: 17.08.2020

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 2020.

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

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

(Rs. in lakhs)

Particulars	STANDALONE	
	2019-20	2018-19
Total Income	103.43	108.98
Total Expenditure	99.37	88.23
Profit Before Tax	4.06	20.75
Provision for Tax	1.64	5.39
Profit after Tax	2.42	15.35
Other Comprehensive Income, Net of tax	-	-
Total Comprehensive Income	2.42	15.35
Balance Carried to Balance Sheet	2.42	15.35
Basic and Diluted Earnings	0.06	0.39

(Rs. in lakhs)

Particulars	CONSOLIDATED	
	2019-20	2018-19
Total Income	1015.10	1954.38
Total Expenditure	994.67	1910.23
Profit Before Tax	18.86	44.15
Provision for Tax	4.60	10.21
Profit after Tax	14.26	33.94
Other Comprehensive Income, Net of tax	76.05	-
Total Comprehensive Income	90.31	33.94
Balance Carried to Balance Sheet	90.31	33.94
Basic and Diluted Earnings	0.36	0.86

REVIEW OF OPERATIONS/COMPANY'S PERFORMANCE:

During the year under review, the company has achieved sales and other income of Rs.103.43 Lakhs and net profit of Rs.2.42 Lakhs as compared to sales and other income of Rs. 108.98 Lakhs and net profit of Rs.15.35 Lakhs achieved in the previous financial year.

CONSOLIDATED

During the year under review, the company on consolidated basis has achieved sales and other income of Rs.1015.10 Lakhs and net profit of Rs. 90.31 Lakhs as compared to sales and other income of Rs. 1954.38 Lakhs and net profit of Rs. 33.94 Lakhs achieved in the previous financial year.

2. IMPACT OF COVID – 19

The Company basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by COVID-19. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

3. 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.

4. TRANSFER TO RESERVES

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

5. DIVIDEND

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

6. UNPAID / UNCLAIMED DIVIDEND:

There is no unpaid or unclaimed dividend with the company.

7. 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. 29.06.2020.

8. REVISION OF FINANCIAL STATEMENTS

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

9. BOARD MEETINGS:

The Board of Directors duly met five (5) times during the financial year from 1st April 2019 to 31st March 2020. The dates on which the meetings were held are 08.04.2019, 30.05.2019, 14.08.2019, 14.11.2019, 12.02.2020.

10. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANANGERIAL PERSONNEL:

- Mrs. D. Sarojanamma, Director of the company is liable to retire by rotation and being eligible offers herself for reappointment.
- 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
Date of Birth	26.05.1931
Qualification	UG
Expertise in specific functional areas	Business
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	-
Inter se relationship with any Director	Mrs. D. Sarojanamma is mother of Mrs. K. Parvathi Reddy

11. 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.

The Independent Directors have also confirmed that they have complied Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

12. 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 2019-20 are also disclosed on the Company's website at https:// www.erpsoft.com

13. 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.

14. 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.

15. 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.

14. Review and monitor the end use of funds raised through public offers and related matters;

15. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

16. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;

17. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.

18. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments

B. COMPOSITION, MEETINGS & ATTENDANCE

There were four (4) Audit Committee Meetings held during the year on 30.05.2019, 14.08.2019, 14.11.2019 and 12.02.2020.

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

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

C. The previous Annual General Meeting of the Company was held on 30.09.2019 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 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 12.02.2020

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mrs. R. Kamala Mohan	Chairman	NED(I)	1	1
Mrs. D. Sarojanamma	Member	NED	1	1
Mr. Babulu Gangisetty	Member	NED(I)	1	1

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 2019-20 are given below:

K. Parvathi Reddy have drawn a remuneration of Rs. 6,00,000/- for the year ended 31.03.2020.

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;
- 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.

2.4 Other Directorships/ Committee Memberships

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

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

3.3.3 A Director shall not serve an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

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

2. Terms and Reference:

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

2.1 "Director" means a Director appointed to the Board of the company.

2.2 "key managerial personnel" means

(i) The Chief Executive Office or the managing director or the manager;

(ii) The company secretary;

(iii) The whole-time director;

(iv) The chief finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act,2013, and reg. 19 of SEBI (Listing obligations

and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and Key Managerial Personnel

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

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

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

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Commission (Applicable in case of Executive Directors)

(iv) Retirement benefits

(v) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

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-

(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 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.

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.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year April 2019 to March 2020, Four (4) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are 29.05.2019, 14.08.2019, 14.11.2019 and 12.02.2020.

A. COMPOSITION AND ATTENDANCE FOR MEETINGS:

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

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.

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.

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Shivangy Choudhary, Company Secretary, is the compliance officer of the Company

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2019-20

During the financial year 2019-20, no complaints were received from the shareholders.

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 al 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 2019-2020.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(C) 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 lain 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.

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

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

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

As on 31st March, 2020, the Company has a wholly owned subsidiary Company namely Libertycom LLC in USA. The Financial performance of the subsidiary company is mentioned in Form AOC- 1 in accordance with Section 129(3) of the Companies Act, 2013 which is annexed to this report.

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

19. 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.

20. 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.

21. 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).

22. 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 2020-21.

23. DISCLOSURE ABOUT COST AUDIT:

Cost Audit is not applicable to your Company.

24. 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 31.03.2020. The report of the Secretarial Auditor is enclosed herewith vide Annexure-II of this Report.

25. 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, 2020 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, 2020 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.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans, Guarantees or made any investments during the year under review.

27. TRANSACTIONS WITH RELATED PARTY:

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 repetitive in nature.

Transactions with the Related Parties as required under Indian Accounting Standard- 24 are disclosed in Note 25 of the standalone financial statements forming part of this Annual Report.

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.

28. 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.

29. CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

30. 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 . 67,66,184

Foreign Exchange Outgo : NIL

31. 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, 2015 a 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.

32. 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.

33. PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec 73, 74 & 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

34. 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.

35. 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.

36. INSURANCE:

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

37. RISK MANAGEMENT POLICY:

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

38. CREDIT & GUARANTEE FACILITIES:

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

39. 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.

40. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

41. 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.

42. 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

Related Party Transacti on Policy	The policy regulates all transactions between the Company and its related parties	www.erpsoft.com

43. 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 upmost 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.

44. 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.

45. 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 received: Nil
- No. of complaints disposed off: Nil

46. 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.

47. 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. K. Parvathi Reddy, Managing Director to the median remuneration of the employees is 1.69:1.

48. 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)

49. SECRETARIAL STANDARDS

The Company is in compliance with the applicable secretarial standards.

50. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT

51. 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

52. CEO/ CFO Certification

The Managing Director cum CEO and CFO certification of the financial statements for the year 2019-2020 is annexed in this Annual Report.

53. 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: 29.06.2020

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

K. Radha Krishna Reddy
Whole-time Director cum CFO
(DIN: 02634480)

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2019-20

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 2019-2020 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 2019-2020.

For and on behalf of the Board
ERP Soft Systems Limited

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

Place: Chennai
Date: 29.06.2020

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 2020 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: 29.06.2020

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

K. Radha Krishna Reddy
Whole-time Director cum CFO
(DIN: 02634480)

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACOUNT

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.*

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

ANNEXURE -I
FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

[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, Kancheepuram, India Ph: +91 7338855022 info@erpsoft.com
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Aarthi Consultants Private Limited 1-2-285, Domalguda Hyderabad – 500029 Tel No.: 04027638111/27634445 Fax: 040-27632184 E-mail: aarthiconsultants@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Computer Programming, Consultancy and related services.	62091	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)

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	**2020700**	**187400**	**2208100**	**55.76**	**2208100**	**-**	**2208100**	**55.76**	**--**
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A) (1)	**2020700**	**187400**	**2208100**	**55.76**	**2208100**	**-**	**2208100**	**55.76**	**--**
(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)	**2020700**	**187400**	**2208100**	**55.76**	**2208100**	**-**	**2208100**	**55.76**	**--**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	---	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
Sub Total (B) (1)	**--**	**--**	**--**	**--**	**-**	**--**	**-**	**-**	**-**
2. Non Institutions									
a) Bodies Corporate									
i) Indian	25	--	25	0.00	25	--	25	0.00	--
ii) Overseas	--	--	--	--	--	--	--	--	**--**

b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	33690	59900	93590	2.36	34060	61600	95660	2.42	0.06
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	0	1654500	1654500	41.78	15	1652500	1652515	41.73	(0.06)
c) Others	85	3700	3785	0.09	-	3700	3700	0.09	--
i) IEPF	-	--	-	-					-
ii) Clearing members	85	-	85	0.00	-	-	-	-	-
iii) Non-Resident Indian (NRI)	-	3700	3700	0.09	-	3700	3700	0.09	--
Sub Total (B) (2)	**33800**	**1718100**	**1751900**	**44.24**	**34100**	**1717800**	**1751900**	**44.24**	**--**
Total Public Shareholding (B) = (B)(1) + (B) (2)	**33800**	**1718100**	**1751900**	**44.24**	**34100**	**1717800**	**1751900**	**44.24**	**--**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	--	--	--	--	--	--	--	--	--
GRAND TOTAL (A+B+C)	**2054500**	**1905500**	**3960000**	**100**	**2242200**	**1717800**	**3960000**	**100**	**--**

(***ii) Shareholding of Promoters***

Sl. No	**Shareholder's Name**	**Shareholding at the beginning of the year(as on 01-04-2019)**			**Shareholding at the end of the year (as on 31-03-2020)**			**% 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	D. Sreelatha	1688100	42.63	-	1688100	42.63	--	--
2	D. Venkata Siva Kumar Reddy	320000	8.08	-	320000	8.08	--	--
3	K. Parvathi Reddy	200000	5.05	-	200000	5.05	--	--
	Total	2208100	55.76	-	2208100	55.76	--	--

(iii) Change in Promoters' Shareholding: NIL

(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	899700	22.72	-	-	-	899700	22.72
2.	Thikavarapu Nalini Reddy	207900	5.25	-	-	-	207900	5.25
3.	Subramaniam Mohan	150115	3.80	-	-	-	150115	3.80
4.	Annam Surendranath	120000	3.03	-	-	-	120000	3.03
5.	T. Srinivasulu	99500	2.51	-	-	-	99500	2.51
6.	M. Paramesh	62800	1.58	17-May-2019	12200	purchase	75000	1.89
7.	Suresh Bafna	7200	0.17	-	-	-	7200	0.17
8.	S. Brindha	34100	0.86	-	-	-	34100	0.86
9.	R. Mohan	32100	0.81	-	-	-	32100	0.81
10.	Rajuben Kothari	14200	0.35	17-May-2019	12200	Sale	2000	0.04

(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
1	D. Sarojanamma	-	-	-	-	-	-	-
3	R. Kamala Mohan	34115	0.86	-	-	-	34115	0.86
4	K. Radha Krishna Reddy	-	-	-	-	-	-	-

5	Babulu Gangisetty	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
B.	**Key Managerial Personnel**							
1.	Shivangi Choudhary	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

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

V. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

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

S.No	Particulars of Directors	K. Parvathi Reddy		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
2.	Stock Option	-	-	-

3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	Others	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	6,00,000	-	6,00,000
	Ceiling as per the Act	60,00,000	-	--

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

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

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary Shivangi Choudhary	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	-	180000	1,80,000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify.....	-	-	-
5.	Others, please specify	-	-	-
	Total	-	1,80,000	1,80,000

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: 29.06.2020

K. Parvathi Reddy
Managing Director
(DIN: 00827258)

K. Radha Krishna Reddy
Whole-time Director cum CFO
(DIN: 02634480)

Annexure II

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, 2020

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, 2019 and ended 31st March, 2020 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, 2020 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 India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2019-20:-

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 5 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee and 1 meeting of Nomination and Remuneration Committee Meeting and 1meeting 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 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. Shivangi Choudhary was appointed as Company Secretary and Compliance Officer of the Company with effect from 08.04.2019.

- 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. There was no change in the composition of the Board of Directors 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 has 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
UDIN: A024531B000395847

Place: Hyderabad
Date : 29.06.2020

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
UDIN: A024531B000395847

Place: Hyderabad
Date : 29.06.2020

ANNEXURE -III

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:		
2019-20	103.43	1015.10
2018-19	108.98	1954.38
Growth%	**(5%)**	**(48%)**
Income:		
2019-20	2.42	14.26
2018-19	15.35	33.94
Growth%	**(84%)**	**(58%)**

d. Outlook, Risks and concerns:

Presently the outlook is not clear due to pandemic fear and uncertainty in business circles and that will likely have an impact on our business in the short run. 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.

g. Discussion on financial performance with respect to operational performance:

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

h. 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, 2020, the company employed 7 employees, of which 11 were professionals from United States involved in service delivery to the clients, including trainees. The key aspects of our HR practice include recruitment, training and development, and compensation.

i. Disclosure of Accounting Treatment:

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

j. Details of changes in key financial ratios, along with detailed explanation thereof

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

(i) Debtors Turnover – (0.44) times

(ii) Inventory Turnover – NIL

(iii) Interest Coverage Ratio - NIL

(iv) Current Ratio – 5.41 times

(v) Debt Equity Ratio - NIL

(vi) Operating Profit Margin (%) – (15.38) times

(vii) Net Profit Margin (%) – (16.38) times

or sector-specific equivalent ratios, as applicable.

k. 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 (84%) change on return on net worth as compared to the immediately previous financial year.

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.

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: 01.04.2019 to 31.03.2020
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	$ 11,81,047
3.	Total Assets	$ 15,27,475
4.	Total Liabilities	$ 301,628
5.	Investments	-
6.	Turnover (Income)	$ 12,82,967
7.	Profit / loss before Taxation	$ 20,886
8.	Provision for Taxation	$ 4,176
9.	Profit / loss after Taxation	$ 16,710
10.	Proposed Dividend	-
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 of Directors of
ERP Soft Systems Limited

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

Place: Chennai
Date: 29.06.2020

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 2019-2020 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. K. Parvathi Reddy, Managing Director of the Company to the median remuneration of the employees is 1.69:1.	
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

iii. Percentage increase in the median remuneration of employees in the financial year 2019-2020: NIL

iv. Number of permanent employees on the rolls of the Company as on 31st March, 2020: 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:

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.

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:

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.

Annexure –V

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	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) 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 if so,name of such director or manager
1	Kallurupalli Parvathi	Whole-time Director	Rs 50,000/month	Contractual	B.SC	01.04.2019	65 Years	Nil	Nil	Duvvuru Sarojanamma
2	Ila Raveendra Babu	Manager – Accounts	Rs 45,000/month	Contractual	B. Com (C.A)	16.11.2014	34 Years	Prasad & Srinath Chartered Accountants	Nil	N.A
3	Brinda S	Manager – Admin	Rs 35,000/month	Contractual	B.sc - Maths	03.06.2012	40 Years	Nobel Care	0.86%	N.A
4	Venkata Siva Parvathi	Systems Analyst	Rs 35,000/month	Contractual	B.Tech	01.07.2019	32 Years	N.A	Nil	Nil
5	Sadda Komala	Ast.Manager	Rs 32,500/month	Contractual	B.Com	02.05.2017	29 Years	N.A	Nil	N.A
6	P.Mahesh	Systems Analyst	Rs 31,500/month	Contractual	Diploma in Computers	06.04.2014	39 years	APSPDCL	Nil	N.A
7	Anudeep	QA Analyst	Rs 31,500/month	Contractual	B.Com (C.A)	01.10.2014	25 Years	N.A	Nil	N.A
8	Padmavathi	QA Analyst	30,500/month	Contractual	B.A	07.05.2016	53 Years	N.A	Nil	N.A
9	T.Anusha	Network Administrator	Rs 29,500/month	Contractual	BCA	07.05.2016	28 Years	Cognizant Technology	Nil	N.A
10	Sheik Masthan	Developer	Rs 29,500/month	Contractual	BCA	07.03.2014	39 years	DVSR &Co	Nil	N.A

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 standalone balance sheet as at 31st March 2020, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and statement of standalone cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone Financial Statements").

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, 2020, 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 Standalone Financial results 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 results 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 results of the current period. These matters were addressed in the context of our audit of the standalone financial results 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.

Other Information

The Company's Board of Directors is responsible for the preparation of the other

information. The other information comprises the information included in the company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Results

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone financial results 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 standalone financial results.

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 standalone financial results, 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 Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 results,including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have

complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 results 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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".

(B) With respect to the other matters to be included in the Auditor's Report in

accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The 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.

(C) With respect to the matters to be included in the Audit Report under section 197(16) of the act;

In our opinion and according to the information and explanations given to us the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 0f the Act. The ministry of corporate affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us

As per our report annexed
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S
UDIN: 20024563AAAABC1675

K.P VASANTHA KUMAR
Partner
Membership No. 024563

Place: Chennai
Date: 29.06.2020

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 2020.

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 sections73 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, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amount payable in respect of Income tax, Wealth tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever is applicable, which have not been deposited on account of any disputes.

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings from any financial institution as at the balance sheet date. The Company does not have borrowing from Bank and also the Company has not issued any debentures as at the balance sheet date.

(ix) Based on our audit procedures and on the information given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loan. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.

(xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.

(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made

any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

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

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

As per our report annexed
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S
UDIN: 20024563AAAABC1675

K.P VASANTHA KUMAR
Partner
Membership No. 024563

Place: Chennai
Date: 29.06.2020

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 2020.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 ofSection 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, 2020 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, 2020, 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.005179S
UDIN: 20024563AAAABC1675

K.P VASANTHA KUMAR
Partner
Membership No. 024563

Place: Chennai
Date: 29.06.2020

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020

(Rs in Lakhs)

Particulars	Note No.	As at 31-03-2020 Rs.	As at 31-03-2019 Rs.
ASSETS:			
(1) Non-Current Assets			
(a) Property ,Plant and equipment	2	19.98	10.06
(b) Financial assets			
(1) Investment	3	574.44	574.44
(c) Deferred tax assets (net)		2.79	0.00
(d) Other Non-Current Assets	4	1.09	0.00
(2) Current Assets Div II & IndAS requirement			
(a) Financial assets			
(1) Investment	5	44.34	44.69
(2) Trade Receivables	6	41.21	10.46
(3) Cash and Cash Equivalents	7	8.92	38.64
(4) Loans	8	3.83	57.85
(b) Other Current Assets	9	4.50	4.14
Total		701.09	740.28
EQUITY AND LIABILITIES			
(a) Equity Share Capital	10	396.00	396.00
(b) Other Equity	11	292.48	287.40
(2) Current Liabilities:			
(a) Financial liabilities			
(1) Trade Payables	12		
(a) Total outstanding dues of Small enterprises and micro enterprises			
(b) Total outstanding dues of creditors other than Small enterprises and micro enterprises		0.19	0.00
(b) Other Current Liabilities	13	8.74	6.82
(c) Provisions	14	3.69	50.06
Total		701.09	740.28
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
UDIN: 20024563AAAABC1675

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

(Rs in Lakhs)

Particulars	Note No	For the year ended 31-03-2020 Rs.	For the year ended 31-03-2019 Rs.
Revenue from operations	15	96.59	100.82
Other Income	16	6.84	8.16
Total Revenue		103.43	108.98
Expenses:			
a Employee benefits expenses	17	49.90	59.09
b Depreciation and amortization expenses	2	2.41	1.10
c Other expenses	18	47.06	28.04
Total expenses		99.37	88.23
Profit/ (Loss) before tax		4.06	20.74
Tax Expenses			
(1) Current tax		3.69	5.39
(2) Deferred tax		-2.04	0.00
Profit/(loss) for the period		2.42	15.35
Other Comprehensive Income		0.00	0.00
Total Comprehensive Income for the period (comprising profit and other comprehensive income for the period)		2.42	15.35
Earnings per share:			
(1) Basic		0.06	0.39
(2) Diluted		0.06	0.39
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UDIN: 20024563AAAABC1675

Place: Chennai
Date: 29.06.2020

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

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Whole-time Director & CFO
DIN: 02634480

Shivangi Choudhry
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2020

(Rs in Lakhs)

Particulars	Year ended March 31,2020	Year ended March 31,2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	4.06	20.74
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	2.41	1.10
Excess provisions written off	2.65	0.00
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	(33.90)	24.53
Decrease/(increase) in Loans	54.02	3.76
Decrease/(increase) in Non current assets	(1.09)	0.00
Increase/(decrease)In Trade Payables	0.19	0.00
Increase/(decrease)In Borrowings and Other Current Liabilities	(44.45)	(9.50)
Cash generated from operations	(16.11)	40.64
Direct Taxes paid (net of refunds)	1.64	5.39
Net Cash flow from/(used in)operating activities	(17.75)	35.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and	(12.32)	(0.20)
Decrease/(increase) in Investments	0.35	1.29
Net Cash used in Investing activities	(11.97)	1.09
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
	0.00	0.00
Net Increase in cash and cash equivalents during the period	(29.72)	36.34
Cash and cash equivalents at the beginning of the period	38.65	2.31
Cash and cash equivalents at the end of the period	8.92	38.65

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UDIN: 20024563AAAABC1675

Place: Chennai
Date: 29.06.2020

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Whole-time Director & CFO
DIN: 02634480

Shivangi Choudhry
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs in Lakhs)

Particulars

A: EQUITY SHARE CAPITAL

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

For the year ended 31-03-2020

Balance as at 01-04-2019	Changes in equity share capital during the year	Balance as at 31-03-2020
396.00	-	396.00

B: OTHER EQUITY

Particular

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

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reseve	General Reseve	Retained Earnings		Total
Opening balance as on 01-04-2019	-	-	287.42	-	287.42
Total Comprehensive Income for the year	-	-	2.42	-	2.42
Excess Incometax provision Reversed	-	-	2.65	-	2.65
					-
Balance at 31-03-2020	-	-	292.48	-	292.48

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UDIN: 20024563AAAABC1675

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
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K. Radha krishna Reddy
Whole-time Director & CFO
DIN: 02634480

Shivangi Choudhry
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Background

ERP Soft Systems Limited was incorporated in 1994 having its registered office in # 10A Trankquill Nest, Kamakoti Nagar, 3rd Main Road Pallikaranai, Chennai, Kancheepuram, Tamil Nadu. The Company is into the business of Computer Programming, Consultancy and Related Activities. The Company has 100% Subsidiary company, Libertycom LLC in USA is focusing on ERP, Business Intelligence/ Analytics projects and staffing.

Authorisation of financial statements

The standalone financial statements are approved for issue by the Company's Board of Directors on 29th June 2020.

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 third financial statements of the Company under Ind AS.

2. Historical cost convention on an accrual basis

   The standalone 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;

3. The Standalone Financial Statements have been prepared on accrual and going concern basis.

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 'Computer Programming, Consultancy and Related Activities.' Company accordingly reports its financials under one segment 'Computer Programming, Consultancy and Related Activities.'

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 on fixed deposits with banks is recognized on time proportion basis taking in to account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the company's right to receive payment is established.

e. Tax Expenses

The tax expense for the period comprises of current tax and deferred income tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects changes in deferred tax assets and liabilities attributable to

temporary differences and unused tax losses. 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 end of the reporting period.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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. Impairment of assets

The carrying amount of assets are reviewed at each Standalone Balance Sheet date to assess if there is any indication of impairment based on internal /external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

g. 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 an on-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.

h. Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

i. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

j. 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.

k. 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. Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable

that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Standalone Statement of Profit and Loss during the period in which they are incurred.

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 are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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.

m. 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.

n. 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. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for 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.

o. Estimation of uncertainties relating to the global health pandemic COVID-19

The Group, to the extent possible, has considered the risks that may result from uncertainty relating to COVID -19 pandemic and its impact on the carrying amounts of trade receivables, Investments, Financial instruments and effectiveness of its hedges. Based on the Group's analysis of the current indicators of the future economic condition on its business and estimates used in its financial statements, the company does not foresee any material impact in the recoverability of the carrying value of the assets. The risk assessment is a continuous process and the company will continue to monitor the impact of the changes in future economic conditions on its business.

p. 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 operatingcycle;

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.

q. 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.

r. Critical accounting judgments and key sources of estimation uncertainty

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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

Note-2 : PROPERTY AND EQUIPMENT

Depreciation

(Rs in Lakhs)

Description	Gross Block (Cost)				Depreciation				Net Block(Cost)	
	As at 1st April 2019	Addition	Disposal	As at 31st March 2020	As at 31st March 2019	For the Year	Disposal	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer & Peripherals	3.23	-	-	3.23	2.89	0.12	-	3.01	0.23	0.35
Computer Software	17.07	-	-	17.07	9.12	0.75	-	9.87	7.20	7.95
Printer	0.32	-	-	0.32	0.17	0.03	-	0.20	0.12	0.15
Air - Conditioner	0.67	0.65	-	1.32	0.32	0.06	-	0.38	0.93	0.34
Motor Cycle	0.35	-	-	0.35	0.30	0.03	-	0.33	0.02	0.05
Mobile	0.42	-	-	0.42	0.05	0.02	-	0.07	0.36	0.38
Car	0.00	11.44	-	11.44	0.00	1.36	-	1.36	10.08	0.00
Genset & Power	1.11	0.23	-	1.34	0.31	0.02	-	0.33	1.01	0.80
Furniture and fittings	0.05	0.00	-	0.05	0.01	0.00		0.010	0.04	0.045
Current Year	23.21	12.32	-	35.54	13.15	2.41	-	15.56	19.98	10.06

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2020

Note - 3 INVESTMENT carried at cost

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Equity investment in subsidiaries		
Unquoted		
LibertycomLLC	21.52	21.52
(Facevalue of USD 1 each)		
Equity investment in joint venture and associates		
ERP info Systems	416.92	416.92
Yashavee Investment Consultants	136.00	136.00
	574.44	**574.44**

Note- 4 OTHER NON-CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Security Deposit	0.05	0.00
b Rental Deposits	1.04	0.00
	1.09	0.00

Note-5 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds	44.34	44.69
Measured at FVTPL	**44.34**	**44.69**

Note-6 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	41.21	10.46
	41.21	**10.46**

Note-7 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a. Balance with banks	8.75	38.49
b. Cash in hand	0.17	0.14
	8.92	**38.64**

Note-8 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
(Unsecured considered good)		
a Others	3.83	57.85
	3.83	**57.85**

Note- 9 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Advance Tax	4.50	0.00
b Others	0.00	4.14
	4.50	**4.14**

Note: 10 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020 Rs.	For the year ended 31-03-2019 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
Duvvuru Sreelatha	16.88	16.88
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kallurupalli Parvathi Reddy	2.00	2.00
D Vinaya	9.00	9.00
Thikavarapu Nalini Reddy	2.08	2.08

(Rs in Lakhs)

Name of shareholder	% as at year end	% as at year end
Duvvuru Sreelatha	43	43
Duvvuru Venkata Sivakumar Reddy	8	8
Kallurupalli Parvathi Reddy	5	5
D Vinaya	23	23
Thikavarapu Nalini Reddy	5	5

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

Particular	As at 31-03-2020 No of shares	As at 31-03-2019 No of shares
Equity Shares at the beginning of the year	39600000	39600000
Equity Shares at the end of the year	39600000	39600000

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: 11 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Balance in the begining of the reporting period	287.42	272.05
Total comprehensive income for the year	2.42	15.35
Excess Income Tax Provision Reversed	2.65	
Closing Balance	**292.48**	**287.40**

Note-12 Trade Payables

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
(i) Total outstanding dues of micro and small enterprises	0.00	0.00
(ii) Total outstanding dues other than above	0.19	0.00
	0.19	0.00

Note-13 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Others	8.74	6.82
	8.74	**6.82**

Note-14 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Provision for Income Tax	3.69	50.06
	3.69	**50.06**

Note-15 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
Sale of Services	96.59	100.82
	96.59	**100.82**

Note-16 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Net gain/loss on foreign currency	1.80	1.84
transaction and translation	5.01	3.53
b Net gain/loss on sale of Investments	0.02	0.00
c Other Income	0.00	2.78
d Dividend Income		
	6.84	**8.16**

Note-17 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Salaries and wages	48.26	58.48
b Staff Welfare expenses	1.63	0.61
	49.90	**59.09**

Note-18 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Professional / Consultancy Fees	10.34	6.60
b Other expenses	36.72	21.44
	47.06	**28.04**

19. Investments in the Balance Sheet comprises of short term surplus funds invested in liquid schemes of Mutual Funds which are measured at fair value through Profit and loss.

20. Disclosure as per clause 32 of the Listing agreements with the stock exchanges

    The company has not given any loans and advances in the nature of loan to subsidiaries, associates firms/companies in which directors are interested.

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

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

23. 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.

23. Contingent Liabilities: There are no Contingent liabilities as on date.

24. Additional information pursuant paragraphs 5(ii) & (iii) of part II of schedule of III of the companies Act, 2013 is not applicable to the Company.

25. Disclosure of related parties and related party transactions:

    Transaction during the year

    Key Managerial Personnel

    K. Parvathi Reddy, D.Sarojanamma, K.Radhakrishna Reddy & Shivangi Choudhry

Nature of Transaction	**Amount(in Rs)** 31.03.2020	**Amount(in Rs)** 31.03.2019
Amount Payable	-	-
Amount Receivable	-	-
Remuneration - Director	600,000	1,200,000
Remuneration - Campany Secratary	180,000	180,000

26. There are no dues to Small Scale Industries which is outstanding for more than 30 days at the Balance Sheet Date computed on unit wise basis. The above information regarding Small Scale undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company and have been relied upon by the Auditors.

27. Previous year's figures have been regrouped wherever necessary.

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UDIN: 20024563AAAABC1675

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy Managing Director DIN: 00827258	D. Sarojanamma Director DIN: 05208974
K. Radha krishna Reddy Whole-time Director & CFO DIN: 02634480	Shivangi Choudhry Company Secretary

Independent Auditors' Report

To the Members of ERP Soft Systems Limited

Opinion

Reporton the Audit of the ConsolidatedFinancialStatements

We have audited the accompanying Consolidated Financial Statements of ERP Soft Systems Limited ("hereinafter referred to as the Holding Company") and its subsidiary LibertycomLLC(the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting

Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2020, the consolidated profit & Loss statement and its consolidated 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 Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, together with 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 the provisions of the Companies Act, 2013 and 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 results of the current period. These matters were addressed in the context of our audit of the standalone financial results 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.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Results

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 the respective Board of Directors 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 is responsible for overseeing the financial reporting process of each entity.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial resultsas 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 results.

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 results, 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 with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 results 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 results, including the disclosures, and whether the consolidated financial results 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 results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial results of which we are the independent auditors.

- We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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, relatedsafeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

- The consolidated financial results include the unaudited financial results of one subsidiarywhose financial results / financial information reflect total assets of Rs. 1049.20 lakhs as at 31st March, 2020, total revenues of

Rs.911.66/- and cash and cash equivalents amounting to Rs.96.29 lakhs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit/loss after tax of Rs.14.26 lakhs for the year ended 31st March, 2020, as considered in the consolidated financial results, in respect of associates, whose financial statements/ financial results / financial information have not been audited by us. These financial statements/financial results / financial information are unaudited and have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, 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 results/financial information.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the financial results / financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

(A) 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 to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial results.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial results 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 results.
- In our opinion, the aforesaid consolidated financial results 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, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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.

(C) With respect to the matters to be included in the Audit Report under section 197(16) of the act;

In our opinion and according to the information and explanations given to us the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 0f the Act. The ministry of corporate affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us

As per our report annexed
For S.Vishnu & Co.,
Chartered Accountants
Firm Reg No.005179S
UIDN:20024563AAAABB9134

K.P VASANTHA KUMAR
Partner
Membership No. 024563

Place: Chennai
Date: 29.06.2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

(Rs in Lakhs)

	Note No.	As at 31-03-2020	As at 31-03-2019
		Rs.	Rs.
I. ASSETS:			
(1) Non-Current Assets			
(a) Property ,Plant and equipment	2	377.17	10.03
(b) Capital Work-in-Progress		0.00	319.56
(c) Financial assets			
(1)Investmnet	3	552.92	552.92
(d) Deferred tax assets (net)		2.79	0.00
(e) Other non-current assets	4	1.09	169.58
(2) Current Assets			
(a) Financial assets			
(1)Investment	5	44.34	44.69
(2) Trade Receivables	6	523.51	422.25
(3) Cash and Cash Equivalents	7	105.21	156.56
(4) Loans	8	117.25	208.37
('c) Other Current Asset	9	4.50	4.14
Total		**1728.78**	**1888.10**
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Equity Share Capital	10	396.00	396.00
(b) Other Equity	11	1217.59	1271.88
(2) Current Liabilities:			
(a) Trade Payables	12	52.87	11.61
(b) Other Current Liabilities	13	58.63	47.01
(c) Provisions	14	3.69	161.60
Total		**1728.78**	**1888.10**
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
UIDN:20024563AAAABB9134

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in lakhs)

	Note No	For the year ended 31-03-2020 Rs.	For the year ended 31-03-2019 Rs.
Revenue from operations	15	1007.53	1944.25
Other Income	16	7.57	10.13
Total Revenue		**1015.10**	**1954.38**
Expenses:			
a Employee benefits expenses	17	699.51	815.85
b Depreciation and amortization expenses	2	2.44	1.14
c Finance Cost		0.00	0.07
d Other expenses	18	292.71	1093.18
Total expenses		**994.67**	**1910.23**
Profit/ (Loss) before Exceptional item and tax		20.43	44.15
Exceptional Items		1.57	0.00
Profit/ (Loss) before tax		18.86	44.15
Tax Expenses			
(1) Current tax		6.65	10.21
(2) Deferred tax		(2.04)	0.00
Profit/(loss) for the period		**14.26**	**33.94**
Other Comprehensive (Income)/Loss			
Exchange differences in transulating the financial statements of a Foregin operation		**76.05**	
Total Comprehensive (Income)/Loss for the period		**90.31**	**33.94**
Earnings per share:			
(1) Basic		0.36	0.86
(2) Diluted		0.36	0.86
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
UIDN:20024563AAAABB9134

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2020

(Rs in Lakhs)

Particulars	Year ended March 31,2020	Year ended March 31,2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	18.86	44.15
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	2.44	1.14
Excess provision written off	24.91	0.00
Translation reserve	93.50	0.00
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	(104.41)	491.54
Decrease/(increase) in Inventories	0.00	98.86
Decrease/(increase) Loans	91.12	(52.06)
Decrease/(increase) in Non Current Assets	168.50	0.00
Increase/(decrease)In Trade Payables	41.26	-351.17
Increase/(decrease)In Borrowings and Other Current Liabilities	(146.27)	70.90
Cash generated from operations	**2.93**	**303.35**
Direct Taxes paid (net of refunds)	**4.60**	**10.21**
Net Cash flow from/(used in)operating activities	**(1.67)**	**293.15**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and	- 50.03	-319.36
Increase/Decrease in Investments	0.35	2.05
	(49.68)	**(317.31)**
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	-51.35	-24.16
Cash and cash equivalents at the beginning of the period	156.57	180.73
Cash and cash equivalents at the end of the period	105.21	156.57

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UIDN:20024563AAAABB9134

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

(Rs in Lakhs)

Particulars

A: **EQUITY SHARE CAPITAL**

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

For the year ended 31-03-2019	Balance as at 01-04-2019	Changes in equity share capital during the year	Balance as at 31-03-2020
	396.00	-	396.00

B: **OTHER EQUITY**

Particular

	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reseve	General Reseve	Retained Earnings	Remeasurement of defined benefit plans	Total
Opening balance as on 01-04-2018	-	-	1,191.39	0.00	1191.39
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	-	-	1,225.33	46.55	1271.88

	Reserve and Surplus				
	Capital Redemption Reseve	General Reseve	Retained Earnings	Foregin Currency Traslation Reseve FCTR	Total
Opening balance as on 01-04-2019	-	-	1,225.36	46.55	1271.91
Total Comprehensive Income for the year	-	-	90.31	-	90.31
Less Debit balance in FCTR	-	-		169.55	169.55
Excess Income Tax Provisions Reversed	-	-	24.91	-	24.91
Balance at 31-03-2020	-	-	1,340.59	- 123.00	1217.59

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UIDN:20024563AAAABB9134

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

1. 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 2020.

The principal activities ofthe 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 29th June 2020.

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 third 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) in Other Comprehensive Income.

(d) The unaudited financial statements of foreign subsidiary have been prepared in accordance with Ind AS.

(e) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(f) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

(g) 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.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated Statement of Profit and Loss during the period in which they are incurred.

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, ContingentAssets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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. 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.

f. 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 on fixed deposits with banks is recognized on time proportion basis taking in to account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the company's right to receive payment is established.

e. Tax Expenses

The tax expense for the period comprises of current tax and deferred income tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. 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 end of the reporting period.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

h. 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 an on-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.

i. Offsetting financial instruments

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

j. 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. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for 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.

Note-2 : PROPERTY AND EQUIPMENT

Depreciation

(Rs in Lakhs)

Description	Gross Block (Cost)				Depreciation				Net Block(Cost)	
	As at 1st April 2019	Addition	Disposal	As at 31st March 2020	As at 31st March 2019	For the Year	Disposal	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer & Peripherals	3.54	1.41	-	4.95	3.23	0.16	-	3.35	1.60	0.31
Computer Software	17.07	-	-	17.07	9.12	0.75	-	9.87	7.20	7.95
Printer	0.32	-	-	0.32	0.17	0.03	-	0.20	0.12	0.15
Air - Conditioner	0.67	0.65	-	1.32	0.32	0.06	-	0.38	0.93	0.34
Motor Cycle	0.35	-	-	0.35	0.30	0.03	-	0.33	0.02	0.05
Reporting tool - under development	319.56	36.26	-	355.82	0.00	0.00	-	0.00	355.82	319.56
Mobile	0.42	-	-	0.42	0.05	0.02	-	0.07	0.36	0.38
Car	0.00	11.44	-	11.44	0.00	1.36	-	1.36	10.08	0.00
Genset & Power	1.11	0.23	-	1.34	0.31	0.02	-	0.33	1.01	0.80
Furniture and fittings	0.05	0.00	-	0.05	0.01	0.00		0.010	0.04	0.045
Current Year	343.08	49.99	-	393.07	13.49	2.44	-	15.90	377.17	329.59

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2020

NOTE - 3 INVESTMENT CARRIED AT COST

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
(Unsecured considered good)		
ERP info Systems	416.92	416.92
Yashavee Investment Consultants	136.00	136.00
	552.92	**552.92**

Note- 4 OTHER NON-CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Security Deposits	0.05	0.00
b Rental Deposits	1.04	0.00
c Other non-current assets	0.00	169.55
	1.09	**169.55**

Note-5 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds	44.34	44.69
Measured at FVTPL	**44.34**	**44.69**

Note-6 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	523.51	422.25
	523.51	**422.25**

Note-7 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a. Balance with banks	104.37	155.81
b. Cash in hand	0.84	0.75
	105.21	**156.56**

Note-8 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
(Unsecured considered good)		
a Loan to employees	3.83	0.00
b Others	113.42	208.37
	117.25	**208.37**

Note- 9 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Advance Tax	4.50	0.00
b Others	0.00	4.14
	4.50	**4.14**

Note: 10 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020 Rs.	For the year ended 31-03-2019 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
Duvvuru Sreelatha	16.88	16.88
Duvvuru Venkata Sivakumar Reddy	3.20	3.20
Kallurupalli Parvathi Reddy	2.00	2.00
D Vinaya	9.00	9.00
Thikavarapu Nalini Reddy	2.08	2.08

(Rs in Lakhs)

Name of shareholder	% as at year end	% as at year end
Duvvuru Sreelatha	43	43
Duvvuru Venkata Sivakumar Reddy	8	8
Kallurupalli Parvathi Reddy	5	5
D Vinaya	23	23
Thikavarapu Nalini Reddy	5	5

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

Particular	As at 31-03-2020 No of shares	As at 31-03-2019 No of shares
Equity Shares at the beginning of the year	39600000	39600000
Equity Shares at the end of the year	39600000	39600000

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: 11 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Balance in the begining of the reporting period	1271.91	1191.39
b Total comprehensive income for the year	90.31	33.94
c Foreign Currency Translation Reserve (FCTR)		46.55
d Excess Income Tax Provisions Reversed	24.91	
Less: Debit balance in translation reserve	-169.55	0.00
Closing Balance	**1217.59**	**1271.88**

NOTE-12 TRADE PAYABLES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
(i) Total outstanding dues of micro and small enterprises	0.00	0.00
(ii) Total outstanding dues other than above	52.87	11.61
	52.87	**11.61**

Note-13 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Others	58.63	47.01
	58.63	**47.01**

Note-14 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2020	As at 31-03-2019
a Provision for Income Tax	3.69	0.00
b Others	0.00	161.60
	3.69	**161.60**

Note-15 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
Sale of Services	1007.53	1944.25
	1007.53	**1944.25**

Note-16 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Net gain/loss on foreign currency transaction and translation	1.80	1.84
b Net gain/loss on sale of Investments	5.01	3.53
c Dividend Income	0.00	2.78
d Interest Income	0.00	0.02
e Other income	0.75	1.96
	7.57	**10.13**

Note-17 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Salaries and wages	541.86	694.02
b Staff Welfare	157.65	121.83
	699.51	**815.85**

Note-18 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2020	For the year ended 31-03-2019
	Rs.	Rs.
a Contract/Consulting Charges	197.56	969.31
b Lease	11.53	11.44
c Rent	15.72	31.50
d Travelling and Hotel Expenses	13.68	8.78
e Other expenses	54.23	72.15
	292.71	**1,093.18**

19. Investments in the Balance Sheet comprises of short term surplus funds invested in liquid schemes of Mutual Funds which are measured at fair value through Profit and loss.

20. Disclosure as per clause 32 of the Listing agreements with the stock exchanges

    The company has not given any loans and advances in the nature of loan to subsidiaries, associates firms/companies in which directors are interested.

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

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

23. 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.

23. Contingent Liabilities: There are no Contingent liabilities as on date.

24. Additional information pursuant paragraphs 5(ii) & (iii) of part II of schedule of III of the companies Act, 2013 is not applicable to the Company.

25. Disclosure of related parties and related party transactions:

    Transaction during the year

    Key Managerial Personnel

    K. Parvathi Reddy, D.Sarojanamma, K.Radhakrishna Reddy & Shivangi Choudhry

Nature of Transaction	Amount(in Rs) 31.03.2020	Amount(in Rs) 31.03.2019
Amount Payable	-	-
Amount Receivable	-	-
Remuneration - Director	600,000	1,200,000
Remuneration - Campany Secratary	180,000	180,000

26. There are no dues to Small Scale Industries which is outstanding for more than 30 days at the Balance Sheet Date computed on unit wise basis. The above information regarding Small Scale undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company and have been relied upon by the Auditors.

27. Previous year's figures have been regrouped wherever necessary.

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

(K.P. Vasanthakumar)
Partner
M.No 024563
UIDN:20024563AAAABB9134

Place: Chennai
Date: 29.06.2020

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

K.Parvathi Reddy
Managing Director
DIN: 00827258

D. Sarojanamma
Director
DIN: 05208974

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

Shivangi Choudhry
Company Secretary

If undelivered please return to :

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