



ERP SOFT SYSTEMS LIMITED

**27th
ANNUAL REPORT
2020-21**

ERP SOFT SYSTEMS LIMITED

Corporate Information

Board of Directors:

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

*Resigned w.e.f. 04.12.2020

Chief Financial Officer:

- Mr. K. Radha Krishna Reddy - Resigned w.e.f. 04.12.2020
Mr. ILA Raveendra Babu - Appointed w.e.f. 12.02.2021

Company Secretary & Compliance Officer:

Ms. Shivangi Choudhry

Registered Office:

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

Statutory Auditors:

*M/s. S. Vishnu & Co.,
Chartered Accountants,
23, Swagatham Apartments
16/23, Shenoy Road, Nangambakkam
Chennai-600 034

*Resigned w.e.f. 07.06.2021

**Mr. K. P. Vasantha kumar
AJ-116, Anna Nagar,
Chennai - 600040.

*Appointed w.e.f . 25.06.2021

ERP SOFT SYSTEMS LIMITED

CIN: L67120TN1994PLC029563

ISIN: INE308B01017

BANKERS

ICICI Bank Limited
A-78, Plot No 3211
Rd 3 Avenue, Anna Nagar Branch
Chennai - 600102

AUDIT COMMITTEE:

- | | | |
|-------------------------------|---|----------|
| 1. Mr. Babulu Gangisetty | - | Chairman |
| 2. Mrs. R. Kamala Mohan | - | Member |
| 3. *Mr. K. Radhakrishna Reddy | - | Member |
| 4. **Mrs. D. Sarojanamma | - | Member |

*Resigned w.e.f. 04.12.2020

**Appointed w.e.f 04.12.2020

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDER RELATIONSHIP COMMITTEE:

- | | | |
|-------------------------------|---|----------|
| 1. Mr. Babulu Gangisetty | - | Chairman |
| 2. Mrs. R. Kamala Mohan | - | Member |
| 3. *Mr. K. Radhakrishna Reddy | - | Member |
| 4. **Mrs. D. Sarojanamma | - | Member |

*Resigned w.e.f. 04.12.2020

**Appointed w.e.f 04.12.2020

INDEPENDENT DIRECTORS COMMITTEE

1. Mr. Babulu Gangisetty
2. Mrs. R. Kamala Mohan

LISTING

BSE Limited

REGISTRAR & SHARE TRANSFER AGENTS

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

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

CONTACT DETAILS

E-Mail : investorcare@erpsoft.com
Website: www.erpsoft.com
Phone : +91-7338855022

ERP SOFT SYSTEMS LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of the ERP Soft Systems Limited will be held on Friday, the 24th day of September, 2021 at 10:30 a.m. through Video Conferencing/ 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 31, 2021 and 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. Sarojamma (DIN: 05208974) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Mr. K.P. Vasantha Kumar as Statutory Auditor and to fix his remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, Mr. K.P. Vasantha Kumar, Chartered Accountant, Chennai be and is hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. S. Vishnu & Co., Chartered Accountants w.e.f. 07.06.2021 to hold the office from the conclusion of this Annual General Meeting till the conclusion of Next Annual General Meeting of the Company to be held in the year 2022 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to him as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

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

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

Sd/-

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

**Place: Chennai
Date: 14.08.2021**

NOTES:

1. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the auditors seeking appointment at the AGM and Explanatory statements as per section 102 of Companies Act, 2013, form part of this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and extended circular dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
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.

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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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. 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. The Notice can also be accessed from the website 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 18.09.2021 to 24.09.2021 (Both days inclusive).
9. 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 Private Limited)
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to Aarthi Consultants Private Limited., Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the Company and correspond with them directly regarding share transfer/transmission /transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

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13. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
15. The Company has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries, as scrutinizer of the Company to scrutinize the voting process.
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 compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
- 20. THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AREAS UNDER:**
 - (i) The voting period begins on 21.09.2021 at 9.00 a.m. and ends on 23.09.2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode is given below:**

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Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"><li data-bbox="431 224 965 462">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<li data-bbox="431 479 965 876">2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.<li data-bbox="431 893 965 998">3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<li data-bbox="431 1015 965 1307">4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/Idea sDirectReg.jsp3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
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Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.

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- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ol style="list-style-type: none">1. 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 (v).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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

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platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN <ERP SOFT SYSTEMS LIMITED>.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

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- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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 and to the Company at the email address investorcare@erpsoft.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING AREAS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

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7. 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 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorcare@erpsoft.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorcare@erpsoft.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. 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.
2. For Demat shareholders -, please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 on 022-23058542/43

21. OTHER INSTRUCTIONS:

- (i) The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 17.09.2021.
 - (ii) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.
 - (iii) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
 - (iv) If a Member casts votes by both modes, then voting done through e-voting shall prevail.
 - (v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.erpsoft.com and on the website of CDSL and will be communicated to the BSE Limited.
22. Relevant documents referred to in the accompanying Notice, as well as Annual Report are open for inspection at the Registered Office of the Company, during the office hours, on all working days up to the date of Annual General Meeting.
23. 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.

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24. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21st April and 29th April 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
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**Place: Chennai
Date: 14.08.2021**

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

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This Explanatory statement is provided as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) 2015 and Section 102 of Companies Act, 2013.

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. S. Vishnu & Co., Chartered Accountants, have resigned with effect from 07.06.2021 citing that the other Partner of the firm have expressed his desire to dissolve the firm and therefore his unwillingness to continue to carry on the assignment of statutory audit of ERP Soft systems limited. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. S. Vishnu & Co., Chartered Accountants., during their association with the Company as its auditors.

Any casual vacancy caused by resignation in the office of the Statutory Auditors can be filled up by the Shareholders in a General Meeting as per recommendations made by the Board of Directors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited Proposals from the firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended Mr. K.P. Vasantha Kumar., Chartered Accountant, as the Company's new Statutory Auditor.

The Board in its meeting held on 25.06.2021 has approved the appointment of Mr. K.P. Vasantha Kumar., Chartered Accountant, Chennai (Membership No. 024563), as Statutory Auditor of the Company at remuneration as fixed by the Board to fill the casual vacancy subject to approval of shareholders within 3 months from the date of recommendation/appointment. It is proposed to appoint Mr. K.P. Vasantha Kumar., Chartered Accountant, Chennai (Membership No. 024563), as Statutory Auditors of the Company at remuneration Rs. 30,000 (Thirty Thousand) yearly.

Mr. K.P. Vasantha Kumar is a qualified Chartered Accountant since 1985 and has obtained peer review certificate from the ICAI Institute on 08.03.2021. He has thirty six years of post-qualification experience in Accounting, Taxation, Project finance, Auditing, MIS reporting Corporate law Compliances in respect of large number of corporate and Non-corporate clients from diversified trade and industries.

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Mr. K.P. Vasantha Kumar., Chartered Accountant, has given his consent to the said appointment and confirmed that his appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

He have further confirmed that he is not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, Mr. K.P. Vasantha Kumar., Chartered Accountant is proposed to be appointed as auditor, commencing from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting to be held in the year 2022, to the Members for their approval.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

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

**Place: Chennai
Date: 14.08.2021**

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

ERP SOFT SYSTEMS LIMITED

DIRECTORS' REPORT

To

The Members of ERP Soft Systems Limited

We have pleasure in presenting the 27th Directors' Report on the business and operations of the Company together with the audited Financial Statements (both standalone and consolidated) for the year ended 31st March, 2021.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

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

(Rs. in lakhs)

Particulars	STANDALONE	
	2020-2021	2019-2020
Revenue from Operations	115.09	96.59
Other Income (Including Exceptional Items)	17.92	6.84
Total Expenses	105.54	99.37
Profit Before Tax	27.47	4.06
Less: Provision for Taxation	3.61	1.65
Profit / (Loss) After Tax	23.86	2.41
Other Comprehensive Income	-	-
Total Comprehensive Income	23.86	2.41
Earning per Equity Share		
Basic	0.60	0.06
Diluted (in Rs.)	0.60	0.06

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(Rs. in lakhs)

Particulars	CONSOLIDATED	
	2020-2021	2019-2020
Revenue from Operations	1253.62	1007.53
Other Income (Including Exceptional Items)	22.61	7.57
Total Expenses	1233.45	994.66
Profit Before Tax	42.78	20.43
Less: Provision for Taxation	6.67	4.60
Profit / (Loss) After Tax	36.11	14.26
Other Comprehensive Income	-	76.05
Total Comprehensive Income	36.11	90.31
Earning per Equity Share		
Basic	0.91	0.36
Diluted (in Rs.)	0.91	0.36

REVIEW OF OPERATIONS:**Standalone:**

During the Year under the review, the Company has recorded an Income of Rs. 115.09 Lakhs and profit of Rs. 23.86 Lakhs as against the Income of Rs. 96.59 Lakhs and profit of Rs. 2.41 Lakhs in the previous financial year ending 31.03.2020.

Consolidated:

During the Year under the review, the Company has recorded an Income of Rs. 1253.62 Lakhs and profit of Rs. 36.11 Lakhs as against the Income of Rs. 1007.53 Lakhs and profit of Rs. 14.26 Lakhs in the previous financial year ending 31.03.2020.

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

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. RESERVES:

The Closing balance of reserves, including retained earnings, of the Company as at March 31st 2021 is Rs. 316.35 Lakhs.

5. DIVIDEND:

Your Directors have decided not to recommend dividend for the year 2020-21.

6. 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 (i.e.25.06.2021)

7. BOARD MEETINGS:

The Board of Directors duly met Four (04) times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are 29.06.2020, 17.08.2020, 14.11.2020 and 12.02.2021.

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

During the year Mr. K. Radha Krishna Reddy passed away and ceased to be a Whole time director and CFO w.e.f., 04.12.2020 and Mr. Ila Raveendra Babu was appointed as CFO of the Company w.e.f 12.02.2021.

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The Board places on record its sincere appreciation for the services rendered by Mr. K. Radha Krishna Reddy during his association with the Company.

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/reappointment 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

9. REVISION OF FINANCIAL STATEMENTS :

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

10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from all the 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 with the 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 judgment and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

11. 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 are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

12. 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 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:

3.1. 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.

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.

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 as 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

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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) Retrial 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. 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.

13. 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:

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

14. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government.

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

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

As on 31st March, 2021, the Company has a wholly owned subsidiary

Company namely Liberty com 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 as annexure I 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.

16. 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 annual return is disclosed on the website www.erpsoft.com.

17. AUDITORS:

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter, M/s. S. Vishnu &Co., Chartered Accountants, were re-appointed as statutory auditors of the Company from the conclusion of the 24th Annual General Meeting (AGM) of the Company held on 28.09.2018 till the conclusion of the 29th AGM to be held in the year 2023.

The notes on accounts referred to in the auditors' report are self-explanatory and therefore don't call for any further comments by the Board of directors.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

However, w.e.f 07.06.2021 M/s. S. Vishnu &Co., have resigned as statutory auditors of the Company and Mr. K. P. Vasantha Kumar as statutory auditors were appointed w.e.f 25.06.2021 as a result of casual vacancy. Their appointment as statutory auditors from the conclusion of this Annual General Meeting till the conclusion of next AGM is sought from the shareholders in the ensuing Annual General Meeting.

Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 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 coming years.

b. 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 31.03.2021. The report of the Secretarial Auditor is enclosed herewith vide Annexure-III of this Report.

Annual Secretarial Compliance Report

Annual Secretarial Compliance Report is not applicable to the Company for financial year ending 31.03.2021.

c. Cost Auditor

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the Company for the year 2020-21.

d. Internal Auditor

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.

18. 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 auditor's u/s 143(12).

19. INTERNAL AUDIT AND FINANCIAL CONTROLS:

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor

revenue and expenditure against approved budget on an ongoing basis.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

21. RELATED PARTY TRANSACTIONS:

Our Company has formulated a policy on related party transactions which is also available on Company's website at www.erpsoft.com. This policy deals with the review and approval of related party transactions.

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

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure II which forms part of this Report.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. Members may refer to note no. 25 to the financial statements which sets out related party disclosures pursuant to IND AS-24.

22. 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 (IndAS) forms part of this Annual Report.

23. 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 subsidiary, joint venture or associate Company.

24. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 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. Research & Development and 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. 77,69,781

Foreign Exchange Outgo: NIL

25. COMMITTEES:

(I). AUDIT COMMITTEE

Audit committee: Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

Brief Description of Terms of Reference: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

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- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.
- v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;

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- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the Company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into 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;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. 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;
- xxii. 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.

Review of the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
- The Audit Committee of the listed holding Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- Carrying out any other function as may be referred to the Committee by the Board.
- Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

During the financial year 2020-21, (4) four meetings of the Audit Committee were held on the 29.06.2020, 17.08.2020, 14.11.2020 and 12.02.2021.

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

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mrs. R. Kamala Mohan	Chairperson	NED(I)	4	4
*Mr. K. Radha Krishna Reddy	Member	ED	3	3
Mr. Babulu Gangisetty	Member	NED(I)	4	4
**Mrs. D. Sarojamma	Member	NED	1	1

*Resigned w.e.f. 04.12.2020

**Appointed w.e.f 04.12.2020

NED (I): Non-Executive Independent director

ED: Executive director

NED: Non-Executive director

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

(II). NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee

(‘NRC’) functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.

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- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
 - Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
 - Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
 - Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
 - Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
 - On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
 - Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
 - Review matters related to voluntary retirement and early separation schemes for the Company.
 - Provide guidelines for remuneration of Directors on material subsidiaries.
 - Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarization programmes for Directors.
 - Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
 - Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.

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Perform other activities related to the charter as requested by the Board from time to time. During the financial year 2020-21, (1) one meeting of the Nomination & Remuneration Committee meeting held on the 12.02.2021.

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

NED (I): Non-Executive Independent director

NED: Non-Executive director

(III). STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Companies Act, 2013 which inter-alia include:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders
- (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

ERP SOFT SYSTEMS LIMITED

During the financial year 2020-21, (1) one meeting of the Stakeholders and Relationship Committee meeting held on the 12.02.2021.

Name	Designation	Category	No. of meetings held	No. of meeting attended
Mrs. R. Kamala Mohan	Chairperson	NED(I)	1	1
*Mr. K. Radha Krishna Reddy	Member	ED	0	0
Mr. Babulu Gangisetty	Member	NED(I)	1	1
**Mrs. D. Sarojamma	Member	NED	1	1

*Resigned w.e.f. 04.12.2020

**Appointed w.e.f 04.12.2020

NED (I): Non-Executive Independent director

ED: Executive director

NED: Non-Executive director

26. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with 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.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):

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

28. PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review.

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

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

30. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

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

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as Annexure IV and forms part of this Report.

31. INSURANCE:

The properties and assets of your Company are adequately insured.

32. CREDIT & GUARANTEE FACILITIES:

The Company has not availed credit and guarantee facilities.

33. RISK MANAGEMENT POLICY:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify

business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a periodical basis.

34. SHARE CAPITAL:

The authorised share capital of the Company as on 31.03.2021 is Rs. 4,50,00,000/- divided into 45,00,000 equity shares of Rs.10/- each.

The paid up share capital of the Company as on 31.03.2021 is Rs. 3,96,00,000/- divided into 39,60,000 equity shares of Rs.10/- each.

35. 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 is Not Applicable.

36. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as Annexure IV for information of the Members.

37. 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 www.erpsoft.com.

38. 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.

39. 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.

40. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No Complaints were pending at the beginning of the year or received during the year.

41. 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(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure V (a) 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 (b).

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.

42. 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 of the Company to the median remuneration of the employees is 1.69:1.

43. 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).

44. MECHANISM FOR EVALUATION OF THE BOARD:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

45. SECRETARIAL STANDARDS:

The Company is in compliance with the applicable secretarial standards.

46. EVENT BASED DISCLOSURES:

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

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

47. 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.

48. CODE OF CONDUCT COMPLIANCE:

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2020-21. A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2020-21 as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report.

49. 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: 25.06.2021**

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

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

ERP SOFT SYSTEMS LIMITED

ANNEXURE I

Form AOC - 1

Statement containing salient features of the financial statements of Subsidiaries (Pursuant to proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

1. Name of the Subsidiaries: Libertycom, LLC
2. Reporting Period: 01.04.2020 to 31.03.2021
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	\$ 12,01,149
3.	Total Assets	\$ 18,14,755
4.	Total Liabilities	\$ 5,68,806
5.	Investments	-
6.	Turnover (Income)	\$ 15,39,924
7.	Profit / loss before Taxation	\$ 20,616
8.	Provision for Taxation	\$ 4,204
9.	Profit / loss after Taxation	\$ 16,412
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
ERP Soft Systems Limited

Sd/-
K. Parvathi Reddy
Managing Director

Sd/-
D. Sarojanamma
Non-Executive Director

Sd/-
Ila Raveendra Babu
CFO

Sd/-
Shivangi Choudhry
Company Secretary &
Compliance Officer

Place: Chennai
Date: 25.06.2021

ANNEXURE II

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.

ANNEXURE III

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, 2021

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, 2020 and ended 31st March, 2021 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 book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2021 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;

ERP SOFT SYSTEMS LIMITED

- (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 2020-21:-
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **During the year under review, there was no instance to be reported by the Company under SEBI Takeover Code.**
 - 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.**

ERP SOFT SYSTEMS LIMITED

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 4 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting 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. Ila Raveendra Babu w.e.f 12.02.2021 and Mr.K. Radha Krishna Reddy passed away and ceased to be Wholetime director and CFO w.e.f. 04.12.2020.
- The Company has Company Secretary and Compliance Officer, Ms. Shivangi Choudhry.
- The Company has internal auditors namely M/s. Ashok Golechha & Co, Chartered Accountants, Chennai.
- 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 change in the composition of the Board of Directors during the period under review and the same was 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 of the meeting, 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.

ERP SOFT SYSTEMS LIMITED

- 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

Sd/-

**Vivek Surana
Proprietor**

**M. No. A24531, C.P. No: 12901
UDIN:A024531C000784796**

**Place: Hyderabad
Date : 14.08.2021**

ERP SOFT SYSTEMS LIMITED

Annexure A

To

The Members of

ERP Soft Systems Limited

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

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

For Vivek Surana & Associates

Sd/-

Vivek Surana

Proprietor

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

UDIN:A024531C000784796

Place: Hyderabad

Date : 14.08.2021

ANNEXURE IV

MANAGEMENT DISCUSSION AND ANALYSIS

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:		
2020-21	133.01	1276.23
2019-20	103.53	1015.10
Growth%	28%	26%
Income:		
2020-21	23.86	36.11
2019-20	2.42	14.26
Growth%	885%	153%

d. Outlook, Risks and concerns:

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

e. Internal control systems and their adequacy:

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting

Records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

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

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

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

Our employees are our most important assets. We believe that the quality and level of service that our professionals deliver. As at March 31, 2021, the Company employed 18 employees, of which 7 were professionals from United States involved in service delivery to the clients, including trainees. The key aspects of our HR practice include recruitment, training and development, and compensation.

h. Disclosure of Accounting Treatment:

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

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 – 2.97 times
- (ii) Inventory Turnover – NIL
- (iii) Interest Coverage Ratio - NIL
- (iv) Current Ratio – 7.56 times
- (v) Debt Equity Ratio - NIL
- (vi) Operating Profit Margin (%) – 8.3 %
- (vii) Net Profit Margin (%) – 23.8%

or sector-specific equivalent ratios, as applicable.

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 5.41% change on return on net worth as compared to the immediately previous financial year.

ERP SOFT SYSTEMS LIMITED

ANNEXURE – V

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES FOR THE FINANCIAL YEAR 2020-21

A. Statement of Disclosure under Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975:

1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company and percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the Financial Year 2020-21:

(Amt in Rs.)

1.	The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.		
	Director	Total Remuneration	Ratio to median remuneration
	Mrs. K. Parvathi	6,00,000	1.69:1

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.**

(Amt in Rs.)

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2020-21	FY 2019-20	
Ila Raveendra Babu	CFO w.e.f 12.02.2021	Rs 5,80,000	Rs 5,75,000	0.86%

3. **The percentage increase in the median remuneration of employees in the financial year**

Particulars	Increase/ (Decrease)%
Median Remuneration of all the employees per annum*	NIL

ERP SOFT SYSTEMS LIMITED

4.

Particulars	Number
The number of employees on the rolls of the Company as on March 31, 2021	13

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are nay exceptional circumstances for increase in the managerial remuneration**

Particulars	Increase/(Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	NIL
Average Percentage increase in the Remuneration of Key Managerial Personnel	0.86
*Employees who have served for whole of the respective financial years have been considered.	

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

The Company is in compliance with its remuneration policy.

ERP SOFT SYSTEMS LIMITED

B. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees of the Company based on Remuneration drawn for FY 2020-21:

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	M.Phil	01.04.2019	66 Years	Nil	Nil	Duvvuru Sarojamma
2	Ila Raveendra Babu	C.F.O	Rs 55,000/month	Contractual	B. Com (C.A)	16.11.2014	35 Years	Prasad & Srinath Chartered Accountants	Nil	N.A
3	Brinda S	Manager – Admin	Rs 35,000/month	Contractual	B.sc - Maths	03.06.2012	41 Years	Nobel Care	0.86%	N.A
5	Sadda Komala	Ast. Manager	Rs 32,500/month	Contractual	B.Com	02.05.2017	30 Years	N.A	Nil	N.A
6	P.Mahesh	Systems Analyst	Rs 31,500/month	Contractual	Diploma in Computers	06.04.2014	40 Years	APSPDCL	Nil	N.A
7	Anudeep	QA Analyst	Rs 31,500/month	Contractual	B.Com (C.A)	01.10.2014	26 Years	N.A	Nil	N.A
8	Padmavathi	QA Analyst	30,500/month	Contractual	B.A	07.05.2016	54 Years	N.A	Nil	N.A
9	T.Anusha	Network Administrator	Rs 29,500/month	Contractual	BCA	07.05.2016	29 Years	Cognizant Technology	Nil	N.A
10	Sheik Masthan	Developer	Rs 29,500/month	Contractual	BCA	07.03.2014	40 years	DVSR &Co	Nil	N.A
10	Galla Venkata Yashwanth	RPA Developer	Rs 20,000/month	Contractual	B.Tech	01.07.2020	26 years	N.A	Nil	N.A

ANNEXURE – VI

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2020-21

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 2020-21 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 2020-21.

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

Sd/-

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

**Place: Chennai
Date: 25.06.2021**

ERP SOFT SYSTEMS LIMITED

Independent Auditors' Report

To the Members of ERP Soft Systems Limited

Opinion

We have audited the accompanying standalone financial statements of ERP Soft Systems Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2021, 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.

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 companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and profit/loss (including other comprehensive income), 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 statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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 accompanying Standalone financial statements have been approved by the Company's Board of Directors. 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity 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 standalone 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 statements, 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 Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 of the accompanying standalone financial statements.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

ERP SOFT SYSTEMS LIMITED

- (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(as amended), 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 Of the Act.

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

**Sd/-
K.P VASANTHA KUMAR
Partner
Membership No. 024563
UDIN : 21024563AAAABG5658**

**Place: Chennai
Date: 25.06.2021**

ERP SOFT SYSTEMS LIMITED

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 2021.

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 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief we further report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year.
- (c) There are no immovable properties held in the name of the company.
- (ii) The Company does not have any inventory; hence the provisions of clause 3(ii) of the Companies (Audit's Report) Order, 2016 are not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) to (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

ERP SOFT SYSTEMS LIMITED

- (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, 2021 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

ERP SOFT SYSTEMS LIMITED

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 covered under section 192 of the Act. 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.

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

**Sd/-
K.P VASANTHA KUMAR
Partner
Membership No. 024563
UDIN : 21024563AAAABG5658**

**Place: Chennai
Date: 25.06.2021**

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 2021.

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

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

We have audited the internal financial controls over financial reporting of ERP Soft Systems Limited ("the Company") as of March 31, 2021 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements 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, 2021, 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”.

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

**Sd/-
K.P VASANTHA KUMAR
Partner
Membership No. 024563
UDIN : 21024563AAAABG5658**

**Place: Chennai
Date: 25.06.2021**

ERP SOFT SYSTEMS LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021

(Rs in Lakhs)

	Note No.	(Rs in Lakhs)	
		As at 31.03.2021	As at 31.03.2020
		Rs.	Rs.
ASSETS:			
(1) Non-Current Assets			
(a) Property, Plant and equipment	2	17.73	19.98
(b) Financial assets			
(1) Investment	3	619.44	574.44
(c) Deferred tax assets (net)		2.70	2.79
(d) Other Non-Current Assets	4	1.04	1.09
(2) Current Assets			
(a) Financial assets			
(1) Investment	5	5.26	44.34
(2) Trade Receivables	6	36.20	41.21
(3) Cash and Cash Equivalents	7	12.38	8.92
(4) Loans	8	18.98	3.83
(b) Other Current Assets	9	9.50	4.50
Total		723.24	701.10
EQUITY AND LIABILITIES			
(a) Equity Share Capital	10	396.00	396.00
(b) Other Equity	11	316.35	292.49
(2) Current Liabilities:			
(a) Financial liabilities			
(1) Trade Payables	12	0.55	0.19
(a) Total outstanding dues of Small enterprises and micro enterprises			
(b) Total outstanding dues of creditors other than Small enterprises and micro enterprises		0.00	0.00
(b) Other Current Liabilities	13	3.14	8.74
(c) Provisions	14	7.21	3.69
Total		723.24	701.11
Significant accounting policies			
See accompanying notes are an integral part of the financial statements			
1			

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2021

		(Rs in Lakhs)		
		Note No	For the year ended 31-03-2021 Rs.	For the year ended 31-03-2020 Rs.
Revenue from operations		15	115.09	96.59
Other Income		16	17.92	6.84
Total Revenue			133.01	103.43
Expenses:				
a	Employee benefits expenses	17	48.55	49.90
b	Depreciation and amortization expenses	2	3.51	2.41
c	Other expenses	18	53.48	47.06
Total expenses			105.54	99.37
Profit/ (Loss) before tax			27.47	4.06
Tax Expenses				
(1)	Current tax		3.53	3.69
(2)	Deferred tax		0.08	-2.04
Profit/(loss) for the period			23.86	2.41
Other Comprehensive Income			0.00	0.00
Total Comprehensive Income for the period (comprising profit and other comprehensive income for the period)			23.86	2.41
Earnings per share:				
(1)	Basic		0.60	0.06
(2)	Diluted		0.60	0.06
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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2021

(Rs in Lakhs)

Particulars	Year ended March 31,2021	Year ended March 31,2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	27.47	4.06
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	3.51	2.41
Excess provisions written off	0.00	2.65
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	0.01	(33.90)
Decrease/(increase) in Loans	(15.15)	54.02
Decrease/(increase) in Non current assets	0.14	(1.09)
Increase/(decrease)In Trade Payables	0.36	0.19
Increase/(decrease)In Borrowings and Other Current Liabilities	(2.09)	(44.44)
Cash generated from operations	14.25	(16.11)
Direct Taxes paid (net of refunds)	3.61	1.64
Net Cash flow from/(used in)operating activities	10.64	(17.75)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and	(1.26)	(12.32)
Decrease/(increase) in Investments	(5.92)	0.35
Net Cash used in Investing activities	(7.18)	(11.97)
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net Increase in cash and cash equivalents during the period	3.46	(29.72)
Cash and cash equivalents at the beginning of the period	8.92	38.64
Cash and cash equivalents at the end of the period	12.38	8.92

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

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

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

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

Place: Chennai
Date: 25/06/2021

Sd/-
Ila Raveendra Babu
CFO

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

(Rs in Lakhs)

Particulars					
A: EQUITY SHARE CAPITAL					
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
	<u>396.00</u>	<u>-</u>		<u>396.00</u>	
For the year ended 31-03-2021	Balance as at 01-04-2020	Changes in equity share capital during the year	-	Balance as at 31-03-2021	396.00
	<u>396.00</u>	<u>-</u>		<u>396.00</u>	
B: OTHER EQUITY					
Particular	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reserve	General Reserve	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 Income Tax Provisions Reversed	-	-	2.65	-	2.65
Balance at 31-03-2020	<u>-</u>	<u>-</u>	<u>292.49</u>	<u>-</u>	<u>292.49</u>
	Reserve and Surplus			Foreign Currency Translation Reserve (FCTR)	
	Capital Redemption Reserve	General Reserve	Retained Earnings	-	Total
Opening balance as on 01-04-2020	-	-	292.49	-	292.49
Total Comprehensive Income for the year	-	-	23.86	-	23.86
Excess Income tax provision Reversed	-	-	-	-	0.00
Balance at 31-03-2021	<u>-</u>	<u>-</u>	<u>316.35</u>	<u>-</u>	<u>316.35</u>

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

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

Sd/-
Ila Raveendra Babu
CFO

Sd/-
Shivangi Choudhry
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. Background

ERP Soft Systems Limited was incorporated in 1994 having its registered office at 10-A, Tranquil Nest, 3rd Main Road, Kamakoti Nagar, Pallikaranai, Chennai, Tamil Nadu – 600100. The Company is into the business of Providing Software Support & Maintenance to the client. The Company has 100% Subsidiary company, liberty com LLC in USA is focusing on ERP, Business Intelligence/Analytics projects and staffing.

Authorisation of financial statements

The standalone financial statements are approved for issue by the Company's Board of Directors on 25/06/2021.

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 fourth 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 providing software Support & maintenance to the client. Company accordingly reports its financials under one segment 'providing software Support & maintenance to the client'.

c. Foreign currency translations

Functional and presentation currency

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

Transactions and balances

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

d. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognized 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 recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized 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 recognized if they arise from the initial recognition of goodwill. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realized, 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 recognized 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 recognized 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 recognized.

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 Companies are segregated.

h. Trade receivables

Trade receivables are recognized when the right to consideration becomes unconditional. These assets are held at amortized 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 recognized initially at their fair value and subsequently measured at amortized 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 recognized 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 recognized 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 recognized for future operating losses. A provision is recognized 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 recognized 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 realized or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;

ERP SOFT SYSTEMS LIMITED

- c) expected to be realized 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 realization 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

ERP SOFT SYSTEMS LIMITED

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

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

Note-2 : PROPERTY AND EQUIPMENT

Description	Gross Block (Cost)				Depreciation			Net Block(Cost)	
	As at 1st April 2020	Addition	Disposal	As at 31st March 2021	As at 31st March 2020	For the Year	Disposal	As at 31st March 2021	As at 31st March 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer & Peripherals	3.23	0.87	-	4.10	3.01	0.14	-	3.15	0.22
Computer Software	17.07	-	-	17.07	9.87	1.62	-	11.49	7.20
Printer	0.32	-	-	0.32	0.20	0.06	-	0.26	0.12
Air - Conditioner	1.32	-	-	1.32	0.38	0.12	-	0.50	0.94
Motor Cycle	0.35	-	-	0.35	0.33	0.00	-	0.33	0.02
Mobile	0.42	0.31	-	0.74	0.07	0.07	-	0.14	0.35
Car	11.44	-	-	11.44	1.36	1.36	-	2.72	10.08
Genset & Power	1.34	-	-	1.34	0.33	0.13	-	0.46	1.01
Furniture and fittings	0.05	0.08	-	0.13	0.01	0.01	-	0.018	0.040
Current Year	35.54	1.26	-	36.80	15.56	3.51	-	19.07	19.98

(Rs in Lakhs)

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2021

Note - 3 INVESTMENT carried at cost

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Equity investment in subsidiaries Unquoted		
LibertycomLLC (Facevalue of USD 1 each)	21.52	21.52
Equity investment in joint venture and associates		
ERP info Systems	416.92	416.92
Discreet art productions	45.00	0.00
Yashavee Investment Consultants	136.00	136.00
	619.44	574.44

Note- 4 OTHER NON-CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Security Deposit	0.00	0.05
b Rental Deposits	1.04	1.04
	1.04	1.09

Note-5 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds Measured at FVTPL	5.26	44.34
	5.26	44.34

ERP SOFT SYSTEMS LIMITED

Note-6 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	36.20	41.21
	36.20	41.21

Note-7 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a. Balance with banks	11.72	8.75
b. Cash in hand	0.67	0.17
	12.38	8.92

Note-8 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
(Unsecured considered good)		
a Loans to employees	1.98	3.83
a Brainbox Learning Pvt Ltd	17.00	0.00
	18.98	3.83

Note- 9 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Advance Tax	9.50	4.50
b Others	0.00	0.00
	9.50	4.50

ERP SOFT SYSTEMS LIMITED

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

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
Authorised Share Capital 4500000 Equity share of Rs 10/-each	450.00	450.00
Issued, Subscribed and Paid Up 3960000 Equity share of Rs 10/-each	396.00	396.00

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

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

ERP SOFT SYSTEMS LIMITED

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 31-03-2021 No of shares	As at 31-03-2020 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.

ERP SOFT SYSTEMS LIMITED

Note: 11 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Balance in the beginning of the reporting period	31-03-2021	272.05
Total comprehensive income for the year	292.49	15.35
Excess Income Tax Provision Reversed	23.86	
Closing Balance	316.35	287.40

Note-12 Trade Payables

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
(i) Total outstanding dues of micro and small enterprises	0.00	0.00
(ii) Total outstanding dues other than above	0.55	0.19
	0.55	0.19

Note-13 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Others	3.14	8.74
	3.14	8.74

Note-14 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Provision for Income Tax	7.21	3.69
	7.21	3.69

ERP SOFT SYSTEMS LIMITED

Note-15 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
Sale of Services	115.09	96.59
	115.09	96.59

Note-16 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Net gain/loss on foreign currency transaction and translation	0.00	1.80
	10.24	5.01
b Net gain/loss on sale of Investments	7.68	0.02
c Other Income	0.00	0.00
d Dividend Income		
	17.92	6.84

Note-17 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Salaries and wages	40.44	48.26
b Managerial Remuneration	6.00	
c Staff Welfare expenses	2.11	1.63
	48.55	49.90

Note-18 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Professional / Consultancy Fees	31.42	10.34
b Other expenses	22.06	36.72
	53.48	47.06

ERP SOFT SYSTEMS LIMITED

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

Nature of Transaction	Amount(in Rs) 31.03.2021	Amount(in Rs) 31.03.2020
Amount Payable	-	-
Amount Receivable	-	-
Remuneration	600,000	600,000

ERP SOFT SYSTEMS LIMITED

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

Independent Auditors' Report

To the Members of ERP Soft Systems Limited

Opinion

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of ERP Soft Systems Limited ("hereinafter referred to as the Holding Company") and its subsidiary LibertycomLLC (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2021, 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 consolidated 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, 2021, 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 Statements 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 there under 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the

consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 statements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated

financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 Holding Company has adequate internal financial controls with reference to consolidated 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,

ERP SOFT SYSTEMS LIMITED

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
- We 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 statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 subsidiary whose financial results / financial information reflect total assets of Rs. 1330.06lakhs as at 31st March, 2021, total revenues of Rs.1138.52/- and cash and cash equivalents amounting to Rs.60.26lakhs 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.36.15 lakhs for the year ended 31st March, 2021, 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 statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding

ERP SOFT SYSTEMS LIMITED

company, is disqualified as on 31st March, 2021 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 Of 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

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

**Sd/-
K.P VASANTHA KUMAR
Partner
Membership No. 024563
UDIN : 21024563AAAABH7149**

**Place: Chennai
Date: 25.06.2021**

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021

	Note No.	As at 31-03-2021 Rs.	As at 31-03-2020 Rs.
I. ASSETS:			
(1) Non-Current Assets			
(a) Property ,Plant and equipment	2	374.48	377.17
(b) Capital Work-in-Progress		0.00	0.00
(c) Financial assets			
(1)Investmnet	3	597.92	552.92
(d) Deferred tax assets (net)		2.70	2.79
(e) Other non-current assets	4	1.04	1.09
(2) Current Assets			
(a) Financial assets			
(1)Investment	5	5.26	44.34
(2) Trade Receivables	6	749.31	523.51
(3) Cash and Cash Equivalents	7	72.64	105.21
(4) Loans	8	218.92	117.25
(c) Other Current Asset	9	9.50	4.50
Total		2031.78	1728.78
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Equity Share Capital	10	396.00	396.00
(b) Other Equity	11	1210.93	1217.59
(2) Non Current Liabilities			
(a) Long Term Borrowings	12	178.16	0.00
(3) Current Liabilities:			
(a) Trade Payables	13	46.00	52.88
(b) Other Current Liabilities	14	193.48	58.63
(c) Provisions	15	7.21	3.69
Total		2031.78	1728.79
Significant accounting policies			
See 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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2021

(Rs. in lakhs)

	Note No	For the year ended 31-03-2021 Rs.	For the year ended 31-03-2020 Rs.
Revenue from operations	15	1253.62	1007.53
Other Income	16	22.61	7.57
Total Revenue		1276.23	1015.10
Expenses:			
a Employee benefits expenses	17	606.12	699.51
b Depreciation and amortization expenses	2	3.96	2.44
c Finance Cost		0.00	0.00
d Other expenses	18	623.37	292.71
Total expenses		1233.45	994.66
Profit/ (Loss) before Exceptional item and tax		42.78	20.43
Exceptional Items		0.00	1.57
Profit/ (Loss) before tax		42.78	18.86
Tax Expenses			
(1) Current tax		6.59	6.65
(2) Deferred tax		0.08	(2.04)
Profit/(loss) for the period		36.11	14.26
Other Comprehensive (Income)/Loss			
Exchange differences in translating the financial statements of a Foreign operation		0.00	76.05
Total Comprehensive (Income)/Loss for the period		36.11	90.31
Earnings per share:			
(1) Basic		0.91	0.36
(2) Diluted		0.91	0.36
Significant accounting policies			
See accompanying notes are an integral part of the financial statements	1		

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

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

Sd/-
Ila Raveendra Babu
CFO

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH,2021

Particulars	Year ended March 31,2021	Year ended March 31,2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax	42.78	18.86
Non-Cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expenses	3.96	2.44
Excess provision written off	-	24.91
Translation reserve	42.77	93.50
Operating Profit before working capital Changes		
Decrease/(increase) in Trade receivables and Other Current Assets	(230.81)	(104.41)
Decrease/(increase) in Inventories	0.00	0.00
Decrease/(increase) Loans	(101.67)	91.12
Decrease/(increase) in Non Current Assets	0.14	168.50
Increase/(decrease)In Trade Payables	(6.88)	41.26
Increase/(decrease)In Borrowings and Other Current Liabilities	316.53	(146.26)
Cash generated from operations	-18.72	2.93
Direct Taxes paid (net of refunds)	6.67	4.60
Net Cash flow from/(used in)operating activities	(25.39)	(1.67)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets (including capital WIP) and Increase/(Decrease) in Investments	- 1.26	-50.03
	-5.92	0.35
	-7.18	-49.68
C. CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net cash from Financing activities	-	-
Net Increase in cash and cash equivalents during the period	-32.57	-51.35
Cash and cash equivalents at the beginning of the period	105.21	156.56
Cash and cash equivalents at the end of the period	72.64	105.21

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

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

Particulars

A: EQUITY SHARE CAPITAL	Balance as at 01-04-2019	Changes in equity share capital during the year	Balance as at 31-03-2020			
For the year ended 31-03-2019	396.00	-	396.00			
For the year ended 31-03-2020	Balance as at 01-04-2020	Changes in equity share capital during the year	Balance as at 31-03-2021			
	396.00	-	396.00			
B: OTHER EQUITY						
Particular	Reserve and Surplus					
	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (FCTR)	Remeasurement of defined benefit plans	Total
Opening balance as on 01-04-2019	-	-	1,271.91	76.05	-	1347.96
Total Comprehensive Income for the year	-	-	14.26	-	-	14.26
Dividends including tax on dividends	-	-	-	-	-	0.00
Excess Income Tax Provisions Reversed	-	-	24.92	-	-	24.92
Less: Debit balance in translation reserve	-	-	169.55	-	-	169.55
Balance at 31-03-2020	-	-	1,141.54	76.05	-	1217.59
	Reserve and Surplus					
	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve, FCTR	Remeasurement of defined benefit plans	Total
Opening balance as on 01-04-2020	-	-	1,217.59	-	-	1217.59
Total Comprehensive Income for the year	-	-	36.11	-	-	36.11
Less Debit balance in FCTR	-	-	-	-	-	-
Excess Income Tax Provisions Reversed	-	-	-	42.80	-	42.80
Balance at 31-03-2021	-	-	1,253.70	42.80	-	1210.90

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

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 2021.

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

Authorisation of financial statements

The Consolidated financial statements are approved for issue by the Company’s Board of Directors on 25/06/2021.

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 fourth 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;

ERP SOFT SYSTEMS LIMITED

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 recognized 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 recognized 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 recognized 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 recognized 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, Contingent Assets

Provisions are recognized 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 recognized for future operating losses. A provision is recognized 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 recognized 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 recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized 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 recognized in the Statement of Profit and Loss.

f. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognized 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.

g. 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 recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized 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 recognized if they arise from the initial recognition of goodwill. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 Realized, 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 a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

i. Offsetting financial instruments

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

j. 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.

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

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

ERP SOFT SYSTEMS LIMITED

Note-2 : PROPERTY AND EQUIPMENT											
Depreciation											
Description	Gross Block (Cost)						Depreciation			Net Block(Cost)	
	As at 1st April 2020	Addition	Disposal	As at 31st March 2021	As at 31st March 2020	For the Year	Disposal	As at 31st March 2021	As at 31st March 2020	Rs.	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer & Peripherals	13.39	0.87	-	14.26	11.79	0.59	-	12.38	1.88	1.60	
Computer Software	104.88	-	-	104.88	97.68	1.62	-	99.29	5.59	7.20	
Printer	0.32	-	-	0.32	0.20	0.06	-	0.26	0.06	0.12	
Air - Conditioner	1.32	-	-	1.32	0.38	0.12	-	0.50	0.82	0.94	
Motor Cycle	0.35	-	-	0.35	0.33	0.00	-	0.33	0.02	0.02	
Reporting tool - under development	355.82	-	-	355.82	0.00	0.00	-	0.00	355.82	355.82	
Mobile	0.42	0.31	-	0.74	0.07	0.07	-	0.14	0.60	0.35	
Car	11.44	-	-	11.44	1.36	1.36	-	2.72	8.72	10.08	
Genset & Power	1.34	0.00	-	1.34	0.33	0.13	-	0.46	0.88	1.01	
Furniture and fittings	0.05	0.08	-	0.13	0.01	0.01	-	0.02	0.11	0.040	
Current Year	489.33	1.26	-	490.59	112.16	3.96	-	116.11	374.48	377.17	

ERP SOFT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS AS AT 31st MARCH 2021

NOTE - 3 INVESTMENT CARRIED AT COST

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
(Unsecured considered good)		
(Facevalue of USD 1 each)	416.92	416.92
Discreet art productions	45.00	
Yashavee Investment Consultants	136.00	136.00
	597.92	552.92

Note- 4 OTHER NON-CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Security Deposits	0.00	0.05
b Rental Deposits	1.04	1.04
	1.04	1.09

Note-5 INVESTMENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a. Investments in Liquid Scheme of mutual funds	5.26	44.34
Measured at FVTPL	5.26	44.34

ERP SOFT SYSTEMS LIMITED

Note-6 TRADE RECEIVABLE

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
(Unsecured considered good)		
a. Trade Receivable	749.31	523.51
	749.31	523.51

Note-7 CASH AND CASH EQUIVALENTS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a. Balance with banks	71.98	104.37
b. Cash in hand	0.67	0.84
	72.64	105.21

Note-8 LOANS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
(Unsecured considered good)		
a Loan to employees	1.98	3.83
b Others	216.94	113.42
	218.92	117.25

Note- 9 OTHER CURRENT ASSETS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Advance Tax	9.50	4.50
b Others	0.00	0.00
	9.50	4.50

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

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
Authorised Share Capital 4500000 Equity share of Rs 10/-each	450.00	450.00
Issued, Subscribed and Paid Up 3960000 Equity share of Rs 10/-each	396.00	396.00

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

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

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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 31-03-2021 No of shares	As at 31-03-2020 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.

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Note: 11 OTHER EQUITY

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Balance in the begining of the reporting period	1217.59	1271.91
b Total comprehensive income for the year	36.11	14.26
c Foreign Currency Translation Reserve (FCTR)	0.00	76.05
d Excess Income Tax Provisions Reversed	0.00	24.92
Less: Debit balance in translation reserve	-42.77	-169.55
Closing Balance	1210.93	1217.59

Note-12 LONG TERM BORROWINGS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a EIDL Loan from SBA	81.73	0.00
b PPP Loan	96.43	0.00
	178.16	0.00

NOTE-13 TRADE PAYABLES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
(i) Total outstanding dues of micro and small enterprises	0.00	0.00
(ii) Total outstanding dues other than above	46.00	52.88
	46.00	52.88

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Note-14 OTHER CURRENT LIABILITIES

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Others	193.48	58.63
	193.48	58.63

Note-15 PROVISIONS

(Rs in Lakhs)

PARTICULARS	As at 31-03-2021	As at 31-03-2020
a Provision for Income Tax	7.21	3.69
	7.21	3.69

Note-15 REVENUE FROM OPERATIONS

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
Sale of Services	1253.62	1007.53
	1253.62	1007.53

Note-16 OTHER INCOME

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Net gain/loss on foreign currency transaction and translation	0.00	1.80
	10.24	5.01
b Net gain/loss on sale of Investments	0.00	0.00
c Dividend Income	0.00	0.00
d Interest Income	12.37	0.75
e Other income	22.61	7.57

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Note-17 EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Salaries and wages	505.79	541.86
b Managerial Remuneration	6.00	
c Staff Welfare	94.32	157.65
	606.12	699.51

Note-18 OTHER EXPENSES

(Rs in Lakhs)

PARTICULARS	For the year ended 31-03-2021	For the year ended 31-03-2020
	Rs.	Rs.
a Contract/Consulting Charges	532.96	197.56
b Lease	11.19	11.53
c Rent	3.56	15.72
d Travelling and Hotel Expenses	3.08	13.68
e Other expenses	72.58	54.23
	623.37	292.71

ERP SOFT SYSTEMS LIMITED

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

Nature of Transaction	Amount(in Rs) 31.03.2021	Amount(in Rs) 31.03.2020
Amount Payable	-	-
Amount Receivable	-	-
Remuneration	600,000	600,000

ERP SOFT SYSTEMS LIMITED

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

Place: Chennai
Date: 25/06/2021

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

Sd/-
D.Sarojanamma
Non-Executive Director
DIN: 05208974

Sd/-
Ila Raveendra Babu
CFO

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

Sd/-
Shivangi Choudhry
Company Secretary

If undelivered please return to :

ERP Soft Systems Limited

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