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ANNUAL REPORT

Corporate Information

Annual General Meeting (AGM) notice

Directors' Report

Management's Discussion and Analysis Report

Corporate Governance Report

Financials

Indian GAAP Financial Information

Unconsolidated Financial Statements

Auditors' Report

Financial Statements

Schedules to Financials

Notes to Accounts

Business Profile

Particulars under Section 212 of the Companies Act, 1956

Consolidated Financial Statements

Auditors' Report

Financial Statements

Schedules to Financials

Notes to Accounts

Unconsolidated Financial Statements of Subsidiary

Financial Statements

Schedules to Financials

Attendance Slip & Proxy Form

ERP SOFT SYSTEMS LIMITED

CORPORATE INFORMATION

Board of Directors

K. Parvathi, M.A, M.Phil
D. S. Reddy B.A. (Hons.)
K. Radha Krishna Reddy
R. Kamala Mohan .
Dr. Srin Ramaswamy, PhD
Mr. Suresh Reddy Bomma, B.Tech
Mr. Pavan Srinivas, ACS

CFO

Shiva Duvvuru FCA, CPA

Compliance Officer

Mrs. R. Kamala Mohan

Auditors

M/s. Vijayaraghavan and Associates

Internal Audit

M/s Ashok Golechha & Co.

Consulting Company Secretary

Mr. T. Murugan B.Sc., ACA. ACS,

Bankers

ICICI Bank Limited

T.Nagar Branch
Bazullah Road
Chennai – 600 017.

Registrars & Transfer Agents

Cameo Corporate Services Limited
Subramanian Building, First Floor
1, Club House Road,
Chennai.

Registered Office

ERP Soft Systems Limited
A-21, Anna Nagar
Chennai 600 102, India

Offices

ERP Soft Systems Limited
Plot No.10 A, Tranquil Nest Buildings
Kamkoti Nagar Main Road
Pallikaranai Chennai 600 100, India
info@erpsoft.com
Phone 44-65554119/ 96770.65917

ERP SOFT SYSTEMS LIMITED

USA

ERP Soft Systems Ltd
103, Charleston Lane,
Little Rock, Arkansas 72223, USA

info@erpsoft.com

Phone 501-960-3302

Fax 206.309.0952

Website

www.erpsoft.com

AGM NOTICE

NOTICE TO MEMBERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of ERP Soft Systems Limited will be held at No.10-A, Tranquil Nest Buildings, Kamakoti Nagar Main Road, Pallikaranai, Chennai 600 100 on Thursday, September 29, 2011 at 11.00 a.m. to transact the following business:

Ordinary Business:

To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011, the Profit and Loss Account for the period April 01, 2010 to March 31, 2011 on that date, and the Reports of the Board of Directors and the Auditors thereon.

- 1 To appoint a Director in place of Mrs.K.Parvathi, who retires by rotation and, being eligible, offers herself for re-appointment.
2. To appoint a Director in place of Mr. Suresh Reddy Bomma, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Pavan Srinivas, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.
To consider and, if thought fit to pass with or without modification(s) the following as a special resolution

“RESOLVED THAT M/s VIJAYARAGHAVAN AND ASSOCIATES, Chartered Accountants, be and are hereby appointed as the auditors of the company to hold office until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the board, in addition to reimbursement of out of pocket expenses.”

Order of the Board

Registered Office:
A-21, Anna Nagar
Chennai – 600 102.

September 02, 2011

Sd/-
K. Parvathi
Managing Director.

Notes:

- a. The Register of Members and the Share Transfer Books of the Company will remain closed from September 17, 2011 to September 29, 2011, both days inclusive.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THAT A PROXY NEED NOT BE A MEMBER.
- c. The instrument appointing proxy should be deposited at the Corporate Office at Pallikaranai of the Company not less than 48 hours before the commencement of the meeting.
- d. The members/proxies are requested to bring duly filled in Attendance Slips sent herewith for attending the meeting.
- e. The members are requested to notify promptly any change in their addresses to the Company's Registrars and Transfer Agents.
- f. The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.

ADDITIONAL INFORMATION PURSUANT TO CLAUSE 49-VI OF THE LISTING AGREEMENT

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Mrs. K. Parvathi
Chairman and Managing Director

Mrs. K. Parvathi is responsible for providing vision and direction to the board and has management responsibility at ERP Soft. She has more than 25 years of IT experience which includes her association with prominent IT Service Providers. Parvathi holds Post graduation and Master of Philosophy (M. Phil) from Madras University.

Directorship in other companies	ProtechSoft Systems Pvt Ltd
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mr. D.S. Reddy
Director

Mr. D.S. Reddy has decades of industry experience including business, management, economic analysis, financial resource mobilization, financial planning apart from promotion and management of IT companies. Mr. Reddy holds a Masters in Economics from Madras University.

Mr. K. Radhakrishna Reddy
Director

Mr. Radha Krishna Reddy has decades of experience as entrepreneur and in managing business and operations.

Mrs. R. Kamala Mohan
Director-Independent/Non-Executive Director

Mrs. R. Kamala Mohan has over two decades experience in working as company executive in charge of finance, administration and client support. Board places on her the responsibility to see that Investor's concerns are attended to immediately. Kamala manages investor protection and grievance redresses at a fast pace and she has ensured that grievances are attended to within forty eight hours at the maximum

Directorship in other companies	Nil
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Dr. Sridhar Ramaswamy
Chief Technology Advisor Independent / Non Executive Director

Dr. Sridhar Ramaswamy is Chief Technology Advisor to ERP Soft. His career spans over two decades of rich technology expertise in global IT enterprises. He provides direction to various large and medium companies in public and private sector in United States. He has been associated with various Technology advisory committees. His research work has been funded by several companies, state and federal agencies such as the National Science Foundation. He has also been involved with the development of several successful start up ventures. His domain experience includes Technology analysis, planning, management, architecture and execution.

Directorship in other Indian companies	Nil
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mr. Pavan Srinivas

Company Secretary – Independent / Non-Executive Director.

Mr. Pavan Srinivas has rich experience in handling corporate, financial and legal compliance. He takes the total responsibility of ensuring financial and legal compliance of the organization. He manages the comprehensive corporate communication channels between board of directors and shareholders on all aspects of corporate governance. Being a professional Company Secretary, Srinivas is able to provide much needed guidance and support in ensuring corporate governance which is of utmost importance to ERP Soft.

Directorship in other Indian companies	Nil
Chairmanship in committees of board of other companies	Nil
Membership in committees of board of other companies	Nil

Mr. Suresh Reddy Bomma

Director-Independent / Non-Executive Director

Mr. Suresh Reddy is highly skilled in high technology areas that include multi media. Web and video solutions, Web media, cable technology, infrastructure solutions. He has over 20 years of experience in leading innovation. He is a US returned NRI and he is the promoter of innovative web centric offerings like Bomma.TV and several more in the offing. Suresh Reddy will provide direction and guidance for building technology infrastructure and channel offering of ERP Soft. Suresh Reddy holds Bachelors in Technology from S.V. University.

Mr. Suresh Reddy Bomma was appointed as additional director of the company during the year 2009-10 and he retires at the AGM to be held on September 30th 2010. Being eligible he offers himself for being appointed as director at the AGM.

Directorship in other Indian companies	Bomma Media Pvt Ltd	I
Chairmanship in committees of board of other companies	-same as above-	
Membership in committees of board of other companies	-same as above-	

DIRECTORS' REPORT

Dear Shareholders,

The Directors take great pleasure in presenting their report on the business and operations of your Company along with the Annual Report and audited financial statements for the period April 01, 2010 to March 31, 2011.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2010-11 are tabulated below:

(In Rupees)

	Consolidated		Parent	
	2010 – 2011	2009 - 2010	2010- 2011	2009 -2010
Sales and other income	3,27,45,841	3,02,57,159	46,76,496	52,83,566
Profit before tax	44,48,265	47,06,368	18,68,678	26,93,935
Provision for tax	5,44,864	3,79,570	5,44,864	3,79,570
Profit for the year	39,03,401	43,26,798	13,23,814	23,14,365
Accumulated losses carried forward	0	0	0	0
Appropriations :	0	0	0	0
Interim Dividend	0	0	0	0
Proposed dividend	0	0	0	0
Transfer to reserves	39,03,401	43,26,798	13,23,814	23,14,365

SUBSIDIARY COMPANIES

100% Subsidiary company, Libertycom LLC in USA. It is focusing on ERP, Business Intelligence, BPO and IT consulting services. The financial statements of the subsidiary are enclosed at the end of this annual report.

CONSOLIDATED RESULTS

Our Consolidated Sales for the current year have increased by Rs.30,59,205/- and profit for the same period have decreased by Rs.3,48,397/- .

CORPORATE GOVERNANCE

Corporate Governance will continue to be Board's responsibility.

The Code of Ethics and Business Conduct of the Company is based on the following fundamental principles:

- 1) Lay solid foundations for management
- 2) Structure the Board to add value
- 3) Promote ethical and responsible decision-making
- 4) Safeguard integrity in financial reporting
- 5) Make timely and balanced disclosures
- 6) Recognize and manage business risks
- 7) Respect the rights of the shareholders
- 8) Encourage enhanced performance
- 9) Remunerate fairly and responsibly
- 10) Recognize the legitimate interest of the stakeholders
- 11) Legal and Statutory compliance

As in the past year separate committees for Audit, Protection of Member's interest are constituted. A separate report on Corporate Governance, along with a certificate of Statutory Auditors of the Company, is annexed herewith.

A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the period April 01, 2010 to 31 March, 2011 was placed before the Board of Directors and the Board has noted the same.

A list of the committees of the Board and names of their members is given below. The scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

a) Composition of the Audit Committee along with the Independent status

- 1) Mr. Pavan Srinivas, ACS
Chairman, Audit Committee-
Independent Director
Non-Executive
Professional Company Secretary
- 2) Mrs. R. Kamala Mohan,
Member, Audit Committee
Independent Director
Non-Executive
- 3) Mr. Shiva Duvvuru, FCA, CPA
Member, Audit Committee
Executive
Non-Independent Director
Certified from Institute of Chartered Accountants of India
Certified from American Institute of Certified Public Accountants
Certified from Information Systems Audit & Control Association (ISACA)

b) Composition of the Shareholders / Investors Grievance Committee

- 1) Mrs. R. Kamala Mohan,
Chairman, Investors Grievance Committee
Independent Director
Non-Executive
- 2) Mr. Pavan Srinivas, ACS
Member, Investors Grievance Committee
Independent Director
Non-Executive
Professional Company Secretary

HUMAN RESOURCES

Employees are the key assets of the Company and the Company has created a healthy and productive work environment which encourages excellence. Your Company continuously invests in training staff in the latest technology trends and in various sub-verticals within the financial services domain. The Knowledge Process Outsourcing business of the Company is in an investment mode.

EMPLOYEE STOCK OPTION PLANS

No employee was issued Stock Option, during the year equal to or exceeding 1% of the issued capital of the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

During the year our Company earned foreign exchange inflow of Rs.26.43 Lacs and the outgoings in foreign exchange were Nil.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy and technology absorption are furnished hereunder:

CONSERVATION OF ENERGY

The operations of the Company are not energy-intensive. The Company, however, takes measures to reduce and optimize energy consumption by using energy efficient computers etc. Further, offices have been designed to maximize the use of ambient lighting while conserving the air conditioning. The expense on power in relation to income is nominal and under control.

TECHNOLOGY ABSORPTION

Since businesses, process and technologies are changing constantly, investment in research and development activities is of great importance. Your Company lays a great importance on knowledge management and has a process for absorption of new technologies. Your Company continued its focus on quality up-gradation of the software development process and software product enhancements.