

TERA SOFTWARE LIMITED



ANNUAL REPORT 2017-18



TERA SOFT
Redefining IT Solutions



Sri. Koteswara Rao SSR
Chairman



Padma Shri
Dr. T. Hanuman Chowdary
Director



Sri. R.S. Bakkannavar
Director



Sri. T. Bapaiah Chowdary
Director



Dr. T.V. Lakshmi
Director



Smt. T. Pavana Devi
Director



Sri. T. Gopichand
Vice-Chairman &
Managing Director

Board of Directors

BOARD AND COMMITTEES

TERA SOFTWARE LIMITED

Board of Directors

Sri. Koteswara Rao SSR

Chairman and Independent Director

Sri. T. Gopichand

Vice-Chairman & Managing Director

Padma Shri Dr. T. Hanuman Chowdary

Independent Director

Sri. R.S. Bakkannavar

Independent Director

Dr. T.V. Lakshmi

Independent Director

Sri. T. Bapaiah Chowdary

Non-Executive Director

Smt. T. Pavana Devi

Non-Executive Director

Executive Officers

CH. Vijaya Bhaskar

Chief Financial Officer

B. Sowmya

Company Secretary

O. Babu Reddy

AGM-F&A, Legal

Board Committees

Audit Committee

Sri. R.S. Bakkannavar

Chairman

Dr. T. Hanuman Chowdary

Sri. Koteswara Rao SSR

Nomination & Remuneration Committee

Dr. T. Hanuman Chowdary

Chairman

Dr. T.V. Lakshmi

Sri. T. Bapaiah Chowdary

Corporate Social Responsibility Committee

Dr. T. Hanuman Chowdary

Chairman

Sri. T. Bakkannavar

Smt. T. Pavana Devi

Sri. T. Gopichand

Stakeholders Relationship Committee

Sri. T. Bapaiah Chowdary

Chairman

Dr. T.V. Lakshmi

Smt. T. Pavana Devi

Corporate Information

Tera Software Limited

Registered Office

#8-2-293/82/A/1107, Plot No: 1107, Road No: 55
Jubilee Hills, Hyderabad-500033, Telangana
Tel: +91-40-23547447

Statutory Auditors

Mullapudi & Co.,
Chartered Accountants
Sri Nagar Colony
Hyderabad –500073

Secretarial Auditors

C.V. Reddy K & Associates
Company Secretaries
Himayat Nagar
Hyderabad-500029

Bankers

Bank of Maharashtra
Basheerbagh Branch,
Hyderabad-500029

Canara Bank

Prime Corporate Branch
TSR Complex, S P Road,
Secunderabad-500003

Registrar & Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No. 31 & 32
Financial District, Gachibowli,
Nanakramguda, Hyderabad-500008.
Phone No: +91-040-67161500
Toll Free No: 1800 345 4001
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

Company Secretary & Compliance Officer

B. Sowmya
#8-2-293/82/A/1107, Plot No: 1107,
Road No: 55, Jubilee Hills, Hyderabad-33
Tel: +91-40-23547447
Email: companysecretary@terasoftware.in
Website: www.terasoftware.in

Index

CONTENTS	Page No
Notice	1
Directors' Report	6
Management Discussion & Analysis	11
Corporate Governance Report	13
Extract of Annual Return	25
Secretarial Audit Report	33
Independent Auditors' Report	36
Balance Sheet	42
Statement of Profit & Loss	43
Cash Flow Statement	44
Notes on Financial Statements	53
Attendance & Proxy Form	68

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth (24th) Annual General Meeting of the members of Tera Software Limited will be held on Monday, **17th September, 2018** at **11:00 AM** at Jubilee Hills International Center, Road No.14, Jubilee Hills, Hyderabad, Telangana 500033, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Statement of Profit & Loss and Cash Flow statement for the financial year ended on that date and the reports of the Board of Directors ("the Board") and the Auditors thereon.
2. To appoint a Director in place of Sri Tummala Bapaiah Chowdary, (DIN: 00107795), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
Tera Software Limited

Date :14.08.2018
Place : Hyderabad

Sd/-
(T. Gopichand)
Vice Chairman and Managing Director
DIN: 00107886



Notes:

1. The relevant details as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment is annexed.
2. **A member entitled to attend and vote at the annual general meeting (AGM) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. All relevant documents referred to in the accompanying notice will be available for inspection at the registered office of the Company during business hours on all working days between 11:00 A.M. to 03:00 P.M. up to the date of the Annual General Meeting
7. The Register of Members and Share Transfer Books will remain closed from Tuesday, 11th September, 2018 to Monday, 17th September, 2018 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to update any change of address and/or bank mandate immediately to M/s. Karvy Computershare Private Limited, Hyderabad-500032
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited, Hyderabad-500032.
10. The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/ MIRSD/ DOP1/ CIR/P/2018/73 dated 20.04.2018 has mandated that the following details of Shareholders must be updated with the Registrar and Share Transfer Agent (RTA) i.e **Folio No., DPID/Client ID, Name of the first securities holder, Payee details, Bank name, Bank account, Bank branch of the holder of securities, MICR number** and instructed the RTA's, Banks and Companies not to issue physical dividend warrants without bank details.

Members are requested to avail the Electronic Clearing Service (ECS) facility for receiving dividend. Shareholders are requested to update the same with RTA and avoid withhold of dividends or transfer of dividends to Unpaid/ IEPF account.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.
13. Copies of the Annual Report 2017-2018 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses physical copies of the Annual Report 2017-2018 are being sent by the permitted mode.

Further, Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. Karvy Computershare Private Limited, Hyderabad-500032. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only.

The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

14. Members wishing to claim dividends, which remained unclaimed are requested to correspond with Mrs. B. Sowmya, Company Secretary, at the company's registered office. Shareholders are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the company's Unpaid Dividend Account, will as per the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
15. The business set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by an e-mail.
16. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> and instructions and other information relating to e-voting is given in this notice under the heading Electronic Voting
17. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting right at the meeting.
18. Members may also note that the Notice of the 24th AGM and the Annual Report 2017-18 will be available on the Company's website www.terasoftware.com
19. All the Shareholders are informed that the shares, wherein the dividend(s) remained unclaimed from the financial year 2010-11 for a period of seven consecutive years, will be transferred to IEPF Suspense Account and are requested to claim their unclaimed dividends by writing to the Company.

Electronic Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management

and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this notice. The facility of casting votes by shareholders using an electronic voting system from a place other than the venue of the AGM is termed as 'Remote Electronic Voting' (e-voting)

The Board of Directors has appointed Mr. K.C.H. Venkat Reddy, Practising Company Secretary (CP No. 8998 and Membership No. FCS 7976) of M/s. C.V. Reddy K & Associates, Practising Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

- i. Under this mode the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta poll). The insta poll facility shall be made available at the meeting to enable the members attending the meeting who have not cast their vote by remote e-voting can vote at the meeting through 'Insta Poll.
- ii. The members who have cast their vote by e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 10th September, 2018.
- iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 10th September, 2018, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1-800-34-54-001 or send an email request to e-voting@karvy.com or companysecretary@terasoftware.in
- v. The remote e-voting will open at 9:00 A.M. (IST) on 14th September, 2018 and ends at 5:00 P.M. (IST) on 16th September, 2018. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 10th September, 2018, may cast their votes electronically. The remote e-voting module will be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.



- vi. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of scrutiner, will order voting through ballot paper for all those shareholders who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
 - vii. Immediately after the conclusion of voting at the AGM, the Scrutinizer will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The Scrutinizer will prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who will then declare the result of the voting.
 - viii. The voting results declared along with the Scrutinizer's Report will be placed on the company's website www.terasoftware.com and on the website of Karvy immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the National Stock Exchange (NSE) & BSE Ltd (BSE).
 - ix. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 17th September, 2018.
- e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the Event i.e. Tera Software Limited
 - g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - h. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - i. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - j. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned (PDF Format) of the relevant Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative to companysecretary@terasoftware.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "(Corporate Name) _____ (EVENT NO.)"

Guidelines for e-voting:

The procedure and instructions for e-voting are as follows:

- 1) In case a Member receives an email from Karvy Computershare Private Limited [for members whose email ID's are registered with the Depository Participants(s)]:
 - a. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - b. Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- 2) In case a Member receives physical copy of the Notice by post [for members whose email IDs are not registered with the Depository Participants(s)]:
 - i. User ID and initial password - These will be sent separately.
 - ii. Please follow all steps from Sl. No. (a) to (j) as mentioned in (1) above, to cast your vote.
3. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
[in pursuance of SEBI(Listing Obligations and Disclosure Requirements)Regulations, 2015.]**

Name of Director	Tummala Bapaiah Chowdary
Date of Birth	20/11/1957
Qualification	M.Com
Expertise in specific functional areas	Experience in Trading activities
Date of Appointment	30/09/2000
No. of Shares held in the Company as on 31.03.2018	1,50,000 shares
Relationship with Directors and Key Managerial Personnel	Brother of Sri. T. Gopichand (Vice-Chairman & Managing Director)
Number of Board Meeting attended during the year	3
List of companies in which Directorship held as on 31.03.2018	Nil
Chairmanship/Membership of Committees on Board of the Companies in which he is a Director as on 31.03.2018	a. Stakeholders Relationship Committee – Chairman b. Nomination & Remuneration Committee - Member



DIRECTORS' REPORT

Dear Members,

Your Board of Directors present the 24th Annual Report and the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS:

During the year, performance of your Company is as under:

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2018	*Year Ended 31.03.2017
Gross Income	17,185.73	27,670.72
Expenditure	15,977.65	25,095.57
Profit before Finance Cost, depreciation & tax	1,208.07	2,575.15
Less : Finance Cost	723.57	658.21
Depreciation	254.19	23,6.13
Profit before tax	230.31	1,680.81
Less : Provision for Current tax	89.13	637.87
Tax Expense relating to earlier years	(12.00)	(4.87)
Deferred tax	(4.43)	(29.65)
Profit for the year	157.61	1,077.46

* The financial statements for the year ended March 31, 2018 are prepared as per Ind AS (Indian Accounting Standards) and accordingly previous year numbers are re-grouped in accordance with the provisions of Ind AS for comparative information.

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs ('MCA') vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards ('Ind AS') applicable to certain class of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. For your Company the said new accounting standards are applicable from April 1, 2017. The impact on account of the transition is disclosed as part of notes to financial statements

OPERATIONS & STATE OF COMPANY'S AFFAIRS

During the year under review, your Company has reported a turnover of Rs. 17,185.73 lakhs and registered a net profit of Rs. 157.61 lakhs. The company's turnover is decreased by 38% compared to the turnover of F/Y 2016-17 as there were no substantial value of work order awarded to your company.

Further, the Company has been effected with volatile market conditions, where the tenders/bids submitted are either being cancelled or the entire tender process is re-initiated due to various reasons like insufficient budget from the Government/Organizations. Despite the uncertainties, the Company is determined and focusing to get new projects with an objective to achieve growth and profitability.

MATERIAL CHANGES & COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company during the financial year ended 31st March, 2018.

DIVIDEND

Your Directors have not recommended the payment of dividend for the F.Y. 2017-18 due to issues in cash flows consequent on slow realisations from customers. Therefore, the board thought it better to conserve funds to support the existing projects and to invest in upcoming and expected projects. The Company is persistently striving to improve the position both in terms of revenue, profitability and cashflows. Hence, the board requests the members to bear with the situation and seeks member's support and cooperation.

DEPOSITS

Your company has not accepted any deposits and as such no amount of principal or interest is outstanding as on 31st March, 2018.

SHARE CAPITAL

There was no change in the share capital during the year and the company neither issued any shares with differential voting rights nor any employee stock options or sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis is appended as **(Annexure-I)** to this report as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE GOVERNANCE

The Company endeavors to maximize the wealth of the shareholders by managing the affairs of the Company with accountability, transparency and integrity. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed and forms part of the annual report. A Certificate from the Statutory Auditors of the Company M/s. Mullapudi & Co., Chartered Accountants regarding compliance of conditions on Corporate Governance is enclosed as **(Annexure II)**.

BOARD & COMMITTEES MEETING

During the year four meetings of Board of Directors of the Company were convened and held in accordance with the provisions of the Companies Act, 2013. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming part of this annual report.

The Audit Committee is constituted by all the Independent Directors; Shri. R.S.Bakkannavar (Chairman), Padma Shri Dr T. Hanuman Chowdary and Shri. Koteswara Rao SSR as Members. During the year under review the Board has accepted all the recommendations of the Audit Committee.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the directors at such meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the limits prescribed under the companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

A. Retirement By Rotation

Pursuant to Section 152 of Companies Act, 2013 Shri T. Bapaiah Chowdary (DIN: 00107795), Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

B. Changes In Key Managerial Personnel

During the year Mr. Pavan Pise, ceased to be Company Secretary of the Company with effect from 20th April,

2017. Subsequently, the Company had appointed Mrs. B. Sowmya as Company Secretary of the Company with effect from 22nd May, 2017.

C. Declaration By Independent Directors

All the Independent Directors of the Company have given declarations stating that they meet the criteria of independence as provided under Section 149(6) of Companies Act, 2013.

D. Performance Evaluation

The Board evaluation process is designed to provide directors with an opportunity to examine Board effectiveness and to make suggestions for improvement. The Nomination and Remuneration Committee has devised a criteria for evaluating the performance of Board, its Directors and its committees on the basis of definite parameters like attendance at the meetings of the Board, effective participation, decision making, and performance of specific duties and obligations.

The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board and the evaluation of Non-Independent Directors was carried out by the Independent Directors.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not made any loan, given guarantee or provided security or made investments as specified in Section 186 of Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

The operations of the Company are not energy intensive and every effort has been made to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient computers and equipment with latest technologies.

(B) Technology absorption:

The Company is constantly upgrading its technology with emerging technologies. It has not incurred any expenditure on Research and Development.

(C) Foreign exchange earnings and Outgo:

Foreign Exchange Earnings during the year: **NIL**

Foreign Exchange outgo: **Rs. 39,24,83,401**



PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio to Median Remuneration
Mr. T. Gopichand	Vice-Chairman & Managing Director	83.07%

- b. The percentage increase in remuneration in each Director, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	% increase in Remuneration in the financial year
Mr. Vijaya Bhaskar	Chief Financial Officer	19.44%

- c. The percentage increase in the median remuneration of employees in the financial year: Nil
- d. The number of permanent employees on the rolls of the Company as on 31st March, 2018: **955**
- e. The relationship between average increase in remuneration and company performance is mainly governed by the market trend.
- f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company was in line with business results.
- g. Variations in the market capitalization of the Company, Price Earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	28 th March, 2018	31 st March, 2017	% Change
Market Capitalization (Rs. Crores)	46.61	127.25	-63.37%
Price Earnings Ratio	29.48	11.81	17.67%

- h. Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:

Particulars	28 th March, 2018	IPO price	% Change
Market Price (BSE)	37.25	10	272.5%
Market Price (NSE)	37.15	10	271.5%

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2017-18: Nil
- j. The Key parameters for any variable component of remuneration availed by the directors:

The payment of sitting fees to the non-executive directors of the Company is well within the applicable provisions of the Companies Act, 2013. The said sitting fees is determined by the board of directors, based on the recommendations made by the Nomination and Remuneration Committee and is paid amongst non-executive directors based on their attendance and contribution at the board and at certain committee meetings.

- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year: NIL
- l. Affirmation that the remuneration is as per the remuneration policy of the Company:
The company affirms that the remuneration of the employees is as per its remuneration policy.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee formed pursuant to section 135 of Companies Act, 2013 approved and spent Rs. 23,16,210/- during the Financial Year 2017-18. The manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR project or activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the project or Programs was Undertaken	Amount outlay (budget) project or program wise,	Amount spent on the project or program Subheads: (1) Direct Expenditure on projects or program (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent Direct or through implementation agency
1	Distribution of Set Top Boxes under concept of smart Village	Rural Development Projects	Mori Village, East Godavari district, Andhra Pradesh	Rs. 24,00,000	(1)Direct Expenditure on projects = Rs. 23,16,210	Rs. 23,16,210	Direct

HUMAN RESOURCES

Human Resources' are recognized as a key pillar of any organization and so is for Tera Software Limited. The company puts constant efforts in recruiting and training the employees and ensures to bring out the best of them. The company adopts a HR policy and ensures that all the employees are aware of such policies. The needs of the employees are addressed with high importance and efforts are made to provide a healthy environment. Besides all these, the company places high emphasis on professional etiquette and integrity.

RISK MANAGEMENT

The provisions related to the Risk Management Committee as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. However, the Company has constituted a Risk Management Committee and Risk Management Framework to identify, evaluate, mitigate and monitor the risk management in the Company. The Committee is responsible for reviewing risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risk and controls.

INTERNAL FINANCIAL CONTROLS

The Company has an Internal Financial Control System to commensurate with the size and scale of its operations. The scope of the internal audit is decided by the Audit Committee and the Board. To maintain its objectivity and independence, the Board has appointed an internal auditor, who reports to the Audit Committee and the Board on a periodic basis. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the company, its compliance with operating systems, accounting procedures

and policies for various functions of the Company, audit observations and actions taken thereof are presented to the Audit Committee.

VIGIL MECHANISM

The Company has a whistle blower policy as part of its Vigil Mechanism to deal with instance of fraud and mismanagement, if any. It provides for the directors and employees to report genuine concerns and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism may be accessed on the Company's website at the link: <http://terasoftware.com/investors/vigil-blower-policy/>. There were no complaints received during the year 2017-18.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

LISTING OF SHARES ON STOCK EXCHANGES:

The Equity Shares of your Company are listed on the BSE Limited and National Stock Exchange of India Ltd. The Annual listing fees of both the stock exchanges have been paid.

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed thereunder, the extract of the Annual Return in form MGT-9 is annexed herewith as (Annexure III) and forms part of this report.



PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 is mentioned in form AOC-2 and is appended as **(Annexure IV)** to the Board's report.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which have a potential conflict with the interest of the Company at large. Prior omnibus approval of the Audit Committee is obtained on a yearly basis. The transactions so entered pursuant to the omnibus approval are reviewed by the audit committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

AUDITORS & AUDITORS REPORT:

i. STATUTORY AUDITORS:

M/s. Mullapudi & Co., Chartered Accountants, (Firm Reg no: 006707S) Hyderabad, have been appointed as Statutory Auditors of the Company on 23rd September, 2017 for a period of five years

Further the amendment in the provisions of section 139 of companies Act, 2013 vide the Companies (Amendment) Act, 2017 notification dated 7th May, 2018 the requirement of ratifying the appointment of statutory auditor by members at every annual general meeting has been omitted. Hence, M/s. Mullapudi & Co., Chartered Accountants continue to hold office until the conclusion of 28th AGM to be held in the year 2022.

ii. SECRETARIAL AUDITORS:

During the year, the Company has appointed M/s. C.V. Reddy K & Associates, Practising Company Secretaries as Secretarial Auditor. The Secretarial Audit report for the Financial Year 2017-18 is annexed herewith as **"Annexure-V"** to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

SEXUAL HARASSMENT

Your Company always believes and endeavors to provide safe and healthy environment, which is free from discrimination and harassment including sexual harassment. During the year, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Place : Hyderabad
Date : 14.08.2018

Sd/
(Koteswara Rao SSR)
Chairman
DIN: 00964290

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividend and shares wherein the dividends unclaimed for a period of seven consecutive years i.e (Final Dividend for the year 2009-10) have been transferred to the IEPF Fund/Suspense account respectively. The details of shares transferred to the IEPF suspense account is available on the website of the Company

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there were no material departures.
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March, 2018;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts for the year ended 31st March, 2018 have been prepared on a going concern basis
- Proper internal financial controls were in place and that the financial controls were adequate and operating effectively.
- The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate & operating effectively.

ACKNOWLEDGMENT:

The Board of Directors take this opportunity to place on record their appreciation to all the stakeholders of the Company, viz., Customers, Investors, Employees, Banks, Regulators, Suppliers and other business associates for the support extended during the year.

For and on behalf of the Board of Directors

Sd/-
(T. Gopichand)
Vice Chairman and Managing Director
DIN: 00107886

MANAGEMENT DISCUSSION AND ANALYSIS

The Company operates in the areas of IT, ITES and various E-governance projects of Public Sector Undertakings (PSUs), State Governments and Central Government of India. Your company implements the projects as System Integrator/PPP model (BOOT, BOO, BOMT). Its operations predominantly relate to integrated solutions, technical division, projects division and software development services to customers.

ECONOMIC SCENARIO AND OUTLOOK

Information Technology (IT) industry in India is playing a key role in putting India on the global map. IT industry in India has been one of the most significant growth contributors for the Indian economy. The journey of E-Governance initiatives in India took a broader dimension, where it has been that a lot more thrust is required to ensure e-Governance in the country to promote inclusive growth that covers electronic services, products, devices and job opportunities.

GOVERNMENT INITIATIVES

Indian economy today is one of the fast growing economies of the world. The economy is structured by various government reforms such as "Make in India", "Skill India" "Startup & Standup India".

The country has witnessed significant growth in Foreign Direct Investments. FDI received during April-June, 2017 is ₹565 crore. Cumulatively, FDI was ₹1,30,729 crores during April 2000 - June, 2017. This huge inflow of FDI is a resounding acknowledgment of the faith of global community in Government policy, reforms and measures taken towards ease of doing business.

In order to transform the entire ecosystem of public services through the use of information technology, the Government of India has launched the DIGITAL INDIA programme with the vision to transform India into a digitally empowered society and knowledge economy. The Indian Telecommunications Sector has grown rapidly in the last few years. While Government reforms and initiatives have played a very important part, industry has been the major driver of this remarkable growth. India now has the second largest network in the world.

The Government has placed considerable emphasis on growth of internet and broadband in the country as part its Digital India campaign. Total internet connection in India at the end of June, 2017 stood at 431.21 million, of which 293.82 million was in

urban areas and 137.39 million was in rural areas. It may be seen that the total number of broadband subscribers has increased from 60.87 million at the end of March, 2014 to 300.84 million at the end of June, 2017, registering a CAGR (Compounded Annual Growth Rate) of 45.64% during the period March, 2014 - June, 2017.

To enable India's transition into a digitally empowered society and knowledge economy, large investment in infrastructure, both optical fibre cable and towers for wireless transmission is required. The Government is committed to extending the reach of the mobile network to the remaining 50,000 remote and rural villages with support from the Universal Services Obligation Fund. In addition, investments are being made to lay optical fibre cable for high speed broadband connectivity in rural areas. The following initiatives have been taken in the last year:

- For the deeper digital penetration in rural areas, the Government has taken up BharatNet initiative to link each of the 2.5 lakh Gram Panchayats of India through Broadband optical fibre network. On its completion, BharatNet would facilitate Broadband connectivity for over 600 million rural citizens of the country. This is the largest rural connectivity project of its kind in the world, and is rightfully identified as the first pillar of Digital India Programme. It will facilitate the delivery of various e-Services and applications including e-health, e-education, e-governance and e-commerce.
- Implementation of the programme has been ramped up since last year. Phase-1 of the project, that targeted connecting 1 lakh Gram Panchayats, through Optical Fibre Cable, is nearing completion. As of 5th Nov, 2017 1,03,275 GPs have been connected by laying 2,38,677 kms of optical fibre cable. Of these, 75,082 Gram Panchayat locations are ready for broadband services.

OPPORTUNITIES

With the introduction of E-governance concept, both the Central and State Governments are keen in implementing the projects in time.

The Company has a positive outlook for the coming years and plans to target the above opportunities as your company is strong in its domain, where it can successfully implement and execute the projects.



RISKS & CONCERNS

Information Technology (IT) is one sector that is spreading its wings fast throughout the world and India is becoming a preferred destination for global IT players because of the E-Governance initiatives to the second largest citizen base of world. As a result the competitive pressure is intensifying among the local and global players. As more than 50% of the business opportunities are on the PPP model; the companies with large capital base and cash reserves are greater threats in executing the projects with minimized financial costs. Your Company has to operate in this competitive scenario and capture the market to hold its foot firmly and to keep up its brand name.

■ Technology Obsolescence

These are the days when technology takes no time to become obsolete. Thus, to be on par with the competitors your Company is continually making effort to ensure that it constantly update and upgrades its technology.

■ Government Policies

Government policies are subject to change, and any such change can adversely impact the Company's plans for growth.

■ Increasing Competition

The entry of large players will result in fierce competition and raising the bar for eligibility. This will impact the business of the Company. The company's management is continuously making efforts to mitigate this risk.

■ Funding Requirements

The E-governance programs involve long gestation projects that requires to be funded with secure financing over the project lifespan. The management is aware of this and has taken the necessary initiatives to mitigate the risk.

■ Time and Cost Constraints

As all E-governance projects are funded and controlled by the Government, there are possibilities of delay in implementation, which could adversely impact the Company's bottom-line. The Management is aware of this and is continuously making efforts to mitigate the risk.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

Tera Software has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly; The internal control is supplemented by extensive programme of internal audits, review by management.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total revenue for the Financial Year 2017-18 is Rs. 17,185.73 lakhs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

There are no material developments in the Human Resources area. The Company constantly reviews the man power requirements and has a well equipped department to take care of the requirements. The total number of employees of the Company as on 31.03.2018 is 955.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance comprises of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. The Company is committed to maintain high standards of Corporate Governance and believe that Corporate Governance provides the framework for attaining the Company's objectives.

BOARD OF DIRECTORS:

The Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. The composition of the Board and category of Directors are as follows:

Executive Director	Sri T. Gopichand (Vice Chairman & Managing Director)
Independent Directors	Sri T. Hanuman Chowdary Sri Koteswara Rao SSR Sri T. Vellat Lakshmi Sri R.S. Bakkannavar
Non Executive, Non- Independent Directors	Sri T. Bapaiah Chowdary Smt. T. Pavana Devi

Smt. T. Pavan Devi is the spouse of Sri T. Gopichand and Sri T. Bapaiah Chowdary & Sri T. Gopichand are brothers. None of the other Directors are related to any other Director on the Board.

The Board of Directors met Four (4) times during the Financial Year i.e. on 22.05.2017, 12.09.2017, 13.12.2017, 13.02.2018 and the maximum time gap between any two meetings was less than one hundred and twenty days, as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The meetings of the Board were governed by a structured agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings. Necessary information as required under the act and as per the guidelines on Corporate Governance are placed before the Board and reviewed by them from time to time.

Each Director informs the Company on an annual basis about the board and board committee positions he/she occupies in other companies including Chairmanships and notifies changes as and when they occur during the term of their directorship in the company. None of the directors on the board is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are Directors.

The names of the Directors on the Board, their attendance at the Board meetings and Annual General Meeting held during the year and the number of directorships and committee chairmanships/memberships held by them in public companies as on 31st March, 2018 is tabled below:

Name of the Director	Attendance at meetings during F.Y. 2017-18		No. of other *Directorships and Committee **Chairmanship /Membership			
	Board	AGM	Board		Committee	
			Chairman	Director	Chairman	Member
Sri. T. Gopichand	4	Yes	Nil	Nil	Nil	Nil
Sri. Koteswara Rao SSR	4	Yes	Nil	3	1	1
Sri. T. Hanuman Chowdary	4	Yes	Nil	2	2	Nil
Sri R.S.Bakkannavar	4	Yes	Nil	1	Nil	Nil
Dr. T.V. Lakshmi	4	Yes	Nil	Nil	Nil	Nil
Sri T.Bapaiah Chowdary	3	Yes	Nil	Nil	Nil	Nil
Smt. T.Pavana Devi	4	Yes	Nil	1	Nil	Nil

* In the above table the number of directorships does not include directorships of private limited companies, companies registered under section 8 of Companies Act, 2013/section 25 of Companies Act, 1956.

** Chairmanship/Membership of committees includes only Audit Committee & Stakeholders Relationship Committees of public companies as required under regulation 26(1)(b) of SEBI (LODR) Regulations, 2015.



INDEPENDENT DIRECTORS

All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the governance guidelines for board effectiveness is adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment is disclosed on the Company's website.

The Company has formulated a policy to familiarize the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the company www.terasoftware.com.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the law. A Separate meeting of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 was held during the year and all independent directors as on the date were present at the said meeting.

CODE OF CONDUCT

The company has laid down a "code of business conduct and ethics" for the director and the Senior Management personnel. The said code is available on the website of the company <http://terasoftware.com/investors/code.of.conduces/>. All the board member and senior management personnel have affirmed compliance with code of conduct for the year ended March 31st, 2018. A declaration to this effect signed by Managing Director forms part of this annual report.

BOARD AND DIRECTORS EVALUATION AND CRITERIA FOR EVALUATION

The Board evaluation process is designed to provide Directors with an opportunity to examine board effectiveness and make suggestions for improvement. The Nomination and Remuneration Committee has devised a criteria for evaluating the performance of the board, its Directors and its committees on the basis of certain parameters like attendance at the meetings of the board effective participation, decision making, and performance of specific duties and obligations.

The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board and the evaluation of Non- Independent Directors was carried out by the Independent Directors.

LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. The Company entered into Listing Agreement with BSE Limited and National Stock Exchange Limited.

COMMITTEES OF THE BOARD:

The Board Committees focus on specific areas and make informed decisions within the authority delegated. The committees also make recommendations to the board on various matters, within the scope delegated to them. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The minutes of the Committee Meetings are sent to all Directors individually and are tabled at the respective Board / Committee Meetings.

The Company has 5 board-level committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

The Constitution, Terms of Reference and the functioning of the Committees of the Board is explained herein

Audit Committee:

The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the financial year ended 31st March, 2018, the audit committee met 4 times on 20.05.2017, 12.09.2017, 13.12.2017 and 13.02.2018.

Name	Category	Position	No of Meetings attended
Sri R.S.Bakkannavar	Non Executive & Independent Director	Chairman	4
Dr.T.Hanuman Chowdary	Non Executive & Independent Director	Member	4
Sri Koteswara Rao SSR	Non Executive & Independent Director	Member	4

Brief Description of Terms of reference is as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information
- Review of financial statements before submission to the Board for approval.
- Recommend to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors, fixation of audit fees.
- Review of adequacy of internal control systems and internal audit functions;
- Review the performance of the internal and statutory auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The composition of Committee is as follows:

The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/ security holders' complaints.

- Oversee and review all matters connected with transfer of Company's securities.
- Approve issue of duplicate shares certificates.
- Review of share dematerialization and rematerialization.
- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;.
- Evaluate performance and service standards of the Registrar & Transfer Agent of the Company.
- All other matters related to the shares.

During the Financial Year 2017-18, the Committee met four times i.e. on 30.06.2017, 29.09.2017, 13.12.2017, and 13.02.2018. The details of composition of the Committee are as under:

Name	Category	Position	No of Meetings attended
Sri T. Bapaiah Chowdary	Non Executive Director	Chairman	3
Dr. T.V. Lakshmi	Non Executive & Independent Director	Member	4
Smt. T. Pavana Devi	Non Executive Director	Member	4

Details of Shareholder Complaints received during the year 2017-2018

During the year, 26 complaints of general nature (non-receipt of annual reports/ dividend warrants.) received from the shareholders were attended promptly and replied/resolved to the satisfaction of the concerned shareholder. There are no pending complaints at the close of the financial year. The Company designated a separate email ID for investor grievances viz: info@terasoftware.in

SCORES

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web based complaints redressal system. The system processes complaints in a centralized web based mechanism. The company is in compliance with this system.

Compliance Officer Name and Address:

B. Sowmya,

Company Secretary,

Tera Software Limited, # 8-2-293/82/A/1107,
Plot No. 1107, Road No. 55, Jubilee Hills,
Hyderabad 500033.

E-mail: companysecretary@terasoftware.in

NOMINATION AND REMUNERATION COMMITTEE:

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprises of three Members of which 2 members are Independent Directors. The Committee is governed by the following terms of reference:



- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors, the Board and the Committees;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.
- Review the information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

During the year under review, the Committee met on 20.05.2017.

Name	Category	Position	No of Meetings Attended
Dr. T.Hanuman Chowdary	Non Executive & Independent Director	Chairman	1
Dr. T.V. Lakshmi	Non Executive & Independent Director	Member	1
Sri T.Bapaiah Chowdary	Non Executive Director	Member	1

Remuneration policy

The Company's remuneration policy aims at attracting and retaining high caliber talent. The remuneration policy takes into account the competitive circumstance of the business so as to attract and retain quality talent.

Directors' Remuneration:

(a) Remuneration to Managing Director: The Remuneration to the Managing Director is governed as per the provisions of the Companies Act, 2013 and rules made there under and on the recommendations by the Nomination and Remuneration Committee and approved by the Members of the Company.

(b) Remuneration to Non-Executive/Independent Directors: The Non-Executive/Independent Directors receive sitting fees as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to limits provided under Companies Act, 2013 and rules made there under and on the recommendations by the Nomination and Remuneration Committee and approved by the Board of Directors.

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession
- (c) All pecuniary relationship or transactions of the non-executive directors vis- à-vis the listed entity:** The Non-executive Directors except one director does not have any pecuniary relationship or transactions vis-à-vis the company entity except for receiving sitting fees for attending meetings of the Board and Committees. However, the transaction between such director and the company is disclosed in form AOC-2, appended hereto in the annual report.
- (d) Disclosures with respect to remuneration:**
- All elements of remuneration package of individual directors is summarized under major groups:

(Rs.in Lakhs)

Sl.No	Name of the Director	Salary	Sitting Fees	Total
1	T. Gopichand	84.00	-	84.00
2	Dr. T. Hanuman Chowdary	-	0.94	0.94
3	Koteswara Rao SSR	-	0.80	0.80
4	R.S.Bakkannavar	-	0.87	0.87
5	Dr. T.V. Lakshmi	-	0.75	0.75
6	T. Bapaiah Chowdary	-	0.58	0.58
7	T. Pavana Devi	-	0.75	0.75

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria: The Company does not have any performance linked incentives for the Executive Directors. The appointments are made for a fixed period of time on the terms and conditions in the resolution passed by the Members in the General Meeting
- (iii) Service contracts, notice period, severance fees- Nil
- (iv) Stock option details: Nil

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 with the following terms of reference:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities specified and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR policy of the Company is available on Companys' website, www.terasoftware.com under investors section.

During the year, the committee met on 13.02.2018.

Name	Category	Position	No of Meetings Attended
Dr. T.Hanuman Chowdary	Non Executive & Independent Director	Chairman	1
Sri R.S. Bakkannavar	Non Executive & Independent Director	Member	1
Sri T.Gopichand	Executive Director	Member	1
Smt T. Pavana Devi	Non-Executive Director	Member	1

RISK MANAGEMENT COMMITTEE:

The Company has voluntarily formed Risk Management Committee though the provisions of SEBI (LODR) Regulations, 2015 are not applicable. The Committee has been delegated the authority by the Board to review and monitor the risk management policy of the Company.

The Composition of the Committee is as follows:

Name	Category	Chairman/Member
Sri T.Gopichand	Executive Director	Chairman
Sri. Koteswara Rao SSR	Non Executive & Independent Director	Member
Dr. T. V. Lakshmi	Non Executive & Independent Director	Member

GENERAL BODY MEETINGS:

The Board uses the annual general meeting as a means to communicate with shareholders and encourages their participation. The date, time and venue of the Annual General Meetings held during the preceding three years and the special Resolution (s) passed thereat are as follows:



Annual General Meeting	Venue	Date & Time	Special Resolution passed
23 rd AGM	#8-2 293/82/A/1107, Plot No: 1107, Road No. 55, Jubilee Hills, Hyderabad.	23 rd September, 2017 Saturday, 03:00 P.M.	Nil
22 nd AGM	Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Near Hi-tech city, Madhapur, Hyderabad	30 th September, 2016 Friday, 03:00 P.M.	<ol style="list-style-type: none"> 1. Re-appointment of Sri. T. Gopichand as Managing Director of the Company for a period of five(5) years w.e.f 1st September, 2016. 2. Appointment of Sri K. Rama Rao as Whole Time Director of the Company. 3. Alteration of Articles of Association of the Company. 4. Approval for doubling the limits of remuneration payable to managerial personnel specified in Para-A, Section-II, Part-II of Schedule V of Companies Act, 2013 in case of Company having no profit or inadequate profits in any financial year to Sri. T. Gopichand, Vice Chairman & Managing Director of the Company.
21 st AGM	Jubilee Hills International Center, Road No.14, Jubilee Hills, Hyderabad	30 th September, 2015 Wednesday, 03:00 P.M	Nil

All the special resolutions were passed with requisite majority by e-voting & poll.

Means of Communication:

The first & second quarter unaudited results are announced on 12th September, 2017 and 13th December, 2017 respectively as per the extension availed vide SEBI Circular No CIR/CFD/FAC/62/2016 dated 05th July, 2016 and third quarter unaudited results are announced within forty-five days of the close of the quarter. The aforesaid financial results are sent to BSE & NSE and was also uploaded on the Company's website www.terasoft.com immediately after being approved by the Board. The results are thereafter published in a leading English newspaper namely Financial Express and Telugu newspaper Nava Telangana.

The audited financial statements form part of the Annual Report which is sent to the members well in advance of the Annual General Meeting. The Company also informs by way of intimation to BSE & NSE and placing on its website all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

General Shareholder Information:

a)	AGM - Date, Time and Venue	Monday, 17 th September, 2018, at 11:00 AM
b)	Financial Year:	April 1 st , 2017 to March 31 st , 2018.
c)	Date of Book Closure:	11 th September, 2018 to 17 th September, 2018 (both days inclusive)
d)	Listing on stock exchanges:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra-kurla Complex, Bandra (East), Mumbai-400051.
e)	Stock code:	BSE : 533982 NSE: TERASOFT
f)	Company's ISIN:	INE482B01010

g) Market Price Data

The monthly high and low prices of your Company's share at BSE & NSE for the year ended 31st March, 2018 are as under:

Month	BSE		NSE	
	High	Low	High	Low
April-17	108.50	97.30	108.80	97.10
May-17	100.55	71.00	100.95	71.10
Jun-17	84.30	66.05	84.40	66.65
Jul-17	87.00	70.90	86.60	71.00
Aug-17	75.20	60.00	75.40	59.20
Sept-17	68.30	56.35	68.90	56.40
Oct-17	59.00	52.20	59.50	52.20
Nov-17	80.00	54.20	80.80	54.65
Dec-17	78.00	60.40	77.80	60.00
Jan-18	75.00	64.00	75.40	63.55
Feb-18	67.15	55.00	67.60	53.00
Mar-18	58.40	36.00	58.60	35.50

h) Share Price Performance in comparison to Broad Based Indices BSE Sensex and NSE Nifty as on March 31, 2018

Particulars	Share Price v/s NSE		Share Price v/s BSE	
	Share Price (in Rs.)	Nifty	Share Price (in Rs.)	BSE Sensex
As on 3 rd April, 2017	102.85	9,237.85	102.70	29,910.22
As on 28 th March, 2018	37.15	10,113.70	37.25	32,968.68
Changes(%)	63.88	9.48	63.73	10.23

Registrars and Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31 & 32,
Financial District, Gachibowli Nanakramguda,
Serilingampally Mandal, Hyderabad 500032

Tel: 040 6716 1606

Toll Free No: 1800-3454-001

E-mail: einward.ris@karvy.com

Website: www.karvycomputershare.com

i) Share transfer system

The Company's shares are in demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

The Company appointed M/s. Karvy Computershare Private Limited as the Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the share transactions of the Company.



j) Distribution of Shareholding as on 31st March, 2018

Category (Shares)	No. of Shareholders	% of total shareholders	No. of Shares	% to Total Capital
1 - 5000	6965	80.56	10,54,321	8.43
5001 - 10000	831	9.61	6,81,734	5.45
10001 - 20000	392	4.53	6,01,760	4.80
20001 - 30000	120	1.39	3,07,574	2.46
30001 - 40000	85	0.98	3,01,805	2.41
40001 - 50000	50	0.58	2,32,998	1.86
50001 - 100000	108	1.25	7,71,425	6.17
100001 and above	95	1.10	85,60,258	68.42
Total:	8646	100.00	1,25,11,875	100.00

k) Shareholding Pattern as on 31st March, 2018:

Sl. No	Category of Shareholder	No. Shareholders	Total Shares	% of Total Shares
A	Shareholding of Promoter & Promoter Group			
	Individuals/Hindu Undivided Family	9	58,85,028	47.04
	Foreign	Nil	Nil	Nil
B.	Public Shareholding:			
	Institutions:			
	Financial Institutions/Banks	1	100	0.00
	Non-Institutions:			
	Bodies Corporate	173	74,45,58	5.95
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	8303	42,42,548	33.91
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	22	12,35,404	9.87
	Clearing Members	28	30,412	0.24
	Non Resident Indians	78	1,94,206	1.55
	Non Resident Indians-Non Repatriable	29	32,215	0.26
	Trusts	2	1,05,062	0.84
	Investor Education & Protection Fund (IEPF)	1	42,342	0.34
	Total:	8,646	1,25,11,875	100.00

l) Shareholders holding more than 1% of shares:

Sl. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Tummala Gopichand	23,96,554	19.15
2	Tummala Pavana Devi	11,74,760	9.39
3	Raja Sekhar Tummala	9,07,718	7.25
4	Madhu Mitra Tummala	8,41,308	6.72
5	Rajesh Dinkar Fowkar	2,71,738	2.17
6	N Sri Durga	2,26,537	1.81
7	Prabhudas Lilladher Financial Services Pvt. Ltd.	1,67,523	1.34
8	Tummala Bapaiah Choudary	1,50,000	1.20
9	T. Seetharamamma	1,36,875	1.09

m) Dematerialization of Shares & Liquidity:

The Company's shares are traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL).

Details of shares held in physical and dematerialized form as on 31st March, 2018:

Mode of Holding	No. of Shares	% of Total Shares
NSDL	9623656	76.92
CDSL	2802366	22.40
Physical	85853	0.68
Total:	1,25,11,875	100.00

As at the end of 31st March, 2018 99.32% of paid-up Equity Shares of the Company are in dematerialized form.

Shareholders holding shares in physical form are requested to convert their physical holdings to demat/ electronic form through any of the Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares and also to ensure safe and speedy transaction in respect of the shares held.

n) Outstanding GDRs/ADRs/Warrants or any other convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/ Warrants/convertible debentures during the F.Y. 2017-18 and there are no outstanding convertible instruments which will impact equity.

o) Address for correspondence and contact persons for investors' queries:

Investors' correspondence may be addressed to Mrs. B. Sowmya, Company Secretary at the Registered Office of the Company at #8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad 500033, Tel 040-23547447, E-mail: companysecretary@terasoftware.co.in

p) Policies of the company with regard to related party transactions are available at <http://terasoftware.com/investors/related-party-transaction-policy/>

q) Transfer of Unpaid/Unclaimed Amounts and Shares to Investor Education and Protection Fund:

In terms of Section 124 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Members are requested to claim their dividend(s) if any, unclaimed from the Company before transfer to the Investor Education and Protection Fund.

Details of outstanding amount of unclaimed dividend lying in Unpaid Dividend Account as on 31st March, 2018 is as follows:



Financial year	Date of declaration of Dividend	Rate of Dividend	Amount remaining Unclaimed as on 31.03.2018 (in Rs.)	Due Date to Claim the Dividend
2010-11	30/08/2011	20%	5,08,124	06/10/2018
2011-12	28/09/2012	20%	3,22,294	03/11/2019
2012-13	30/09/2013	10%	1,31,138	05/11/2020
2013-14	30/09/2014	8%	1,30,970	05/11/2021
2014-15	30/09/2015	8%	98,331	05/11/2022
2015-16	30/09/2016	12%	1,48,558	05/11/2023

Unclaimed Shares

According to sec 124(6) of the Companies Act, 2013 read with applicable rules and regulations thereunder, all shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the company to the Investor Education and Protection Fund. During the year, 42,342 Equity shares pertaining to the dividend declared in the F.Y. 2009-10 were transferred to the IEPF suspense account.

The shareholders who have a claim on above said dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed form available on the website www.iepf.gov.in and also send a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the form.

No claims shall lie against the Company in respect of the dividend/shares so transferred.

Other Disclosures:

- There are no materially significant related party transactions during the year 2017-18 that has potential conflict of interest with the interest of Company at large.
- There was no non-compliance by the Company for which penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital Markets, during the last three years.
- The Vice Chairman & Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2018.

- The Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct Policy. The said mechanism also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. During the year, no employee of the Company was denied access to the Audit Committee. The said policy has been uploaded on the website of the Company at <http://terasoftware.com/investors/vigil-blower-policy/>
- The provisions of Regulation 21 of LODR Regulations, 2015 are not applicable to the Company. However the detailed framework relating to the Risk Management has been provided under the section of Directors' Report in the Annual Report.
- The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code provides for periodical disclosures from Directors and designated employees as well as pre-clearances of transactions by such persons.
- The Chairman of the Board is a Non-Executive & Independent Director and his position is separate from that of the Vice Chairman & Managing Director.
- The status on the compliance with the non-mandatory recommendation in the SEBI Regulations is as under:
 - The Non-Executive Chairman maintains a separate office, for which the Company is not required to reimburse expenses.
 - During the year under review, there is no audit qualification in the company's financial statements.
 - The Internal Auditor directly reports to the Audit Committee.

DECLARATION BY THE MANAGING DIRECTOR

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and Senior Management Personnel have confirmed with the Code of Conduct for the year ended 31st March, 2018.

For Tera Software Limited

Sd/-

(T.Gopichand)

Vice Chairman and Managing Director

DIN: 00107886

Date : 28.05.2018

Place: Hyderabad

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,

**The Board of Directors
Tera Software Limited**

We, T. Gopichand Vice-Chairman & Managing Director and Ch. Vijaya Bhaskar, Chief Financial Officer of Tera Software Limited, to the best of our knowledge and belief, certify that:

- A) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) We confirm that, to the best of our knowledge and belief, no transactions entered into by the Company during year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls.
- D) We have indicated to the auditors and the Audit committee.
1. Significant changes in internal control over financial reporting during the financial year;
 2. Significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
 3. There are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : 28.05.2018

Place : Hyderabad

Sd/

Ch. Vijaya Bhaskar
Chief Financial Officer

Sd/-

T. Gopichand
Vice Chairman and Managing Director



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Tera Software Limited

1. We, Mullapudi & Co., Chartered Accountants, the Statutory Auditors of Tera Software Limited ("the Company") have examined the Compliance of Conditions on Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in regulations 17-27, clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D and E of Schedule V to the Listing Regulations during the year ended 31st March, 2018.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mullapudi & Co.,
Chartered Accountants
Firm Reg. No: 006707S

sd/-
CA. B. Krishna Sivaram Apparao
Partner
Membership No: 226476

Place: Hyderabad.
Date: 28.05.2018

Form No. MGT-9

EXTRACT OF ANNUAL

as on the financial year ended on 31st March, 2018 [Pursuant to Section 92(3) of the Companies Act, 2013
And rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L72200TG1994PLC018391
ii.	Registration Date	26/09/1994
iii.	Name of the Company	Tera Software Limited
iv.	Category / Sub-Category of the Company	Company limited by Shares/Indian Non-Government Company
v.	Address of the Registered office and contact details	#8-2-293/82/A/1107, Road No: 55, Plot No: 1107, Jubilee Hills, Hyderabad-500033, Telangana. Tel : 040-23547447 Email : info@terasoftware.in ; Website : www.terasoftware.com
vi.	Whether listed company (Yes / No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Contact Person : Mohammed Shanoor, Officer- Corporate Registry Ph : 040-6716 1606 Email : einward.ris@karvy.com Website : www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main Products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	IT & Integrated related services	6201	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					



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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2017)				No. of Shares held at the end of the year (31st March, 2018)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	5903752	--	5903752	47.19	5885028	--	5885028	47.04	(0.15)
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(1):-	5903752	--	5903752	47.19	5885028	--	5885028	47.04	(0.15)
2) Foreign									
a) Individuals (Non Residents Individuals/Foreign Individuals	--	--	--	--	--	--	--	--	--
b) Government	--	--	--	--	--	--	--	--	--
c) Institutions	--	--	--	--	--	--	--	--	--
d) Foreign Portfolio Investor	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total(A)(2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	5903752	--	5903752	47.19	5885028	--	5885028	47.04	(0.15)
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Venture Capital Funds	--	--	--	--	--	--	--	--	--
c) Alternate Investment Funds	--	--	--	--	--	--	--	--	--
d) Foreign Venture Capital Investors	--	--	--	--	--	--	--	--	--
e) Foreign Portfolio Investors	--	--	--	--	--	--	--	--	--
f) Financial Institutions / Banks	3998	--	3998	0.03	100	--	100	0.00	(0.03)
g) Insurance Companies	--	--	--	--	--	--	--	--	--
h) Provident Funds/Pension Funds	--	--	--	--	--	--	--	--	--
i) Any other	--	--	--	--	--	--	--	--	--
Sub-total(B)(1)	3998	--	3998	0.03	100	--	100	0.00	(0.03)
2. Central Government/State Government(s)/President of India	--	--	--	--	--	--	--	--	--
Sub-total(B)(2)	0	0	0	0	0	0	0	0	0
3. Non Institutions									
a) Bodies Corporate	734091	--	734091	5.87	744558	--	744558	5.95	0.08
b) Individuals									
(I) Individuals holding nominal share capital upto Rs. 2 lakhs	3687702	121553	3809255	30.45	4156695	85853	4242548	33.91	3.46
ii) Individuals holding nominal Share capital in excess of Rs. 2 lakhs	1700704	--	1700704	13.59	1235404	--	1235404	9.87	(3.72)
c) Others									
NBFC's registered with RBI	50	--	50	0.00	--	--	--	--	0.00
Employee Trusts	--	--	--	--	--	--	--	--	--
Overseas Depositories	--	--	--	--	--	--	--	--	--
Trusts	107062	--	107062	0.86	105062	--	105062	0.84	(0.02)
Non Resident Indians	197979	--	197979	1.58	194206	--	194206	1.55	(0.03)
Clearing Members	43110	--	43110	0.34	30412	--	30412	0.24	(0.10)
NRI Non-Repatriable	11874	--	11874	0.09	32215	--	32215	0.26	(0.17)
IEPF --	--	--	--	--	42342	--	42342	0.34	0.34
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
Sub-Total B(3):	6482572	121553	6604125	52.78	6540894	85853	6626747	52.96	(0.16)
Total B = B(1) + B(2) + B(3):	6486570	121553	6608123	52.81	6540994	85853	6626847	52.96	--
Total (A + B):	12390322	121553	12511875	100	12426022	85853	12511875	100	--
C. Shares held by custodians, against which	--	--	--	--	--	--	--	--	--
Grand Total (A + B + C):	12390322	121553	12511875	100	12426022	85853	12511875	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1st April, 2017)			Shareholding at the end of the year (31st March, 2018)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1.	Tummala Gopichand	24,16,554	19.31	3.44	23,96,554	19.15	3.44	-0.16
2.	Tummala Pavana Devi	11,74,760	9.39	1.02	11,74,760	9.39	1.02	--
3.	Tummala Tulasi Rani	50,000	0.41	--	51,276	0.41	--	0.01
4.	Tummala Bapaiah Choudary	1,50,000	1.20	0.12	1,50,000	1.20	0.12	--
5.	N Sri Durga	2,26,537	1.81	--	2,26,537	1.82	--	--
6.	Madhu Mitra Tummala	8,41,308	6.72	0.07	8,41,308	6.72	0.07	
7.	T Seetharamamma	1,36,875	1.09	--	1,36,875	1.09		
8.	Raja Sekhar Tummala	9,07,718	7.26	--	9,07,718	7.26	--	--
	Total	59,03,752	47.19	4.65	58,85,028	47.04	4.65	0.15

iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease(e.g. allotment / transfer / bonus/ sweat equity)				
1.	Tummala Gopichand				
	At the beginning of the year	24,16,554	19.31	24,16,554	19.31
	Sale on 12.05.2017	20,000	-0.16	23,96,554	19.15
	At the End of the Year			23,96,554	19.15
2	Tummala Tulasi Rani				
	At the beginning of the year	50,000	0.41	50,000	0.41
	Purchase on 09.06.2017	1,107	0.01	51,107	0.41
	Purchase on 16.06.2017	169	0.00	169	0.00
	At the end of the year			51,276	0.41



(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh Dinkar Fowkar	2,96,122	2.37	2,71,738	2.17
2.	Om Prakash Chugh	-	-	78,365	0.63
3.	Nirmala Pravin Gala	78,000	0.62	78,000	0.62
4.	Usha R Bhat	76,000	0.61	76,000	0.61
5.	Nipun Mehta	78,000	0.62	67,000	0.54
6.	Anuradha Rajesh Fowkar	62,423	0.50	62,423	0.50
7.	Rahul Ravindra Bhat	50,000	0.40	50,000	0.40
8.	Ayush Mittal	-	-	47,021	0.38
9.	Dinesh Lalchand Ahuja	-	-	45,329	0.36
10.	Pradip S Kampani	26,659	0.21	30,000	0.24

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Share Holding of KMP					
1.	T. Gopichand Vice Chairman & Managing Director	24,16,554	19.31	23,96,554	19.15
2.	Mr. Ch.Vijaya Bhaskar, CFO	-	-	-	-
3.	Mrs. B. Sowmya, CS	-	-	-	-
Shareholding of Other Directors					
1.	T. Pavana Devi	11,74,760	9.39	11,74,760	9.39
2.	T.Bapaiah Chowdary	1,50,000	1.20	1,50,000	1.20
3.	Dr. T.V. Lakshmi,	2,250	0.020	2,250	0.020
4.	Dr. T. Hanuman Chowdary	-	-	-	-
5.	Mr. R.S. Bakkannavar	-	-	-	-
6.	Mr. Koteswara Rao SSR	-	-	-	-

VI. INDEBTEDNESS

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

(Amount in Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,55,37,016	36,00,000	-	45,91,37,016
ii) Interest due but not paid		29,203		29,203
iii) Interest accrued but not due	-			-
Total(i+ii+iii)	45,55,37,016	36,29,203	-	45,91,66,219
Change in Indebtedness during the financial year				
- Addition	-	74,00,000		74,00,000
- Reduction	2,28,31,476	28,00,000		2,56,31,476
Net Change	-2,28,31,476	46,00,000	-	-1,82,31,476
Indebtedness at the end of the financial year				
i) Principal Amount	43,27,05,540	82,00,000	-	44,09,05,540
ii) Interest due but not paid	-	6,72,965		6,72,965
iii) Interest accrued but not due	-			-
Total(i+ii+iii)	43,27,05,540	88,72,965	-	44,15,78,505

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		T. Gopichand Vice Chairman & Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,00,000	84,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify		-
	Total (A)	84,00,000	84,00,000
	Ceiling as per the Act	Within the limits of Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013	



B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Sitting Fee for attending the Board/Committee Meeting
1.	Independent Directors	
	(i) Dr. T. Hanuman Chowdary	94,000
	(ii) R.S.Bakkannavar	87,000
	(iii) Koteswar Rao SSR	80,000
	(iv) Dr. T.V. Lakshmi	75,000
	Total (1)	3,36,000
2.	Other Non-Executive Directors	
	(i) T. Bapaiah Chowdary	58,000
	(ii) T. Pavana Devi	75,000
	Total (2)	1,33,000
	Total B=(1+2)	4,69,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of the KMP other than MD/WTD/Manager		Total
		Ch. Vijay Bhaskar Chief Financial Officer	B. Sowmya* Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,60,000	3,90,000	16,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission			
	- as % of profit			
	- others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total	12,60,000	3,90,000	16,50,000

* Mrs. B. Sowmya joined as Company Secretary w.e.f 22nd May, 2017

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees Imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					



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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length during financial year 2017-18.

2. Details of contracts or arrangements or transactions at arm’s length basis.

Sl. No	Particulars	Details
a.	Name(s) of the related party and nature of relationship	Raja Enterprises owned and controlled by Sri. T. Bapaiah Chowdary, Director of the Company
b.	Nature of contracts/arrangements/transactions	Purchase of Clamps, Bolts & Nuts etc for AP Fiber Grid Project
c.	Duration of the contracts/arrangements/transactions	1 st April, 2017 to 31 st March, 2018
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs. 12.79 Lakhs
e.	Date(s) of approval by the Board, if any:	22.05.2017
f.	Amount paid as advances, if any:	Nil

Note:

As per the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, none of the above mentioned transactions were material in nature and all the transaction are in accordance with the omnibus approval of the Audit Committee granted on 22nd May, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

To,
The Members,
Tera Software Limited
Jubilee Hills, Hyderabad-500033.

We have conducted the secretarial audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tera Software Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the **Tera Software Limited** books, papers, minute 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 audit period covering the financial year ended on **31st March, 2018** 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 hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Tera Software Limited** (“the Company”) for the financial year ended on **31st March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable as the Company has not issued any ESOPS or ESPS Scheme during the financial year under review.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable as the Company has not issued and listed any debt securities during the financial year under review
 - (f) 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;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the Company has not de-listed any debt securities during the financial year under review
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back/proposed to buy back any of its securities during the financial year under review
- (vi) The EPF & Misc. Provisions Act, 1952;
- (vii) Other Laws applicable specifically to the Company, namely:
 - Information Technology Act, 2000;

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 Listing Agreements entered into by the Company with BSE (Bombay Stock Exchange) & NSE (National Stock Exchange)

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad
Date: 28.05.2018

Sd/-
CS K.CH. VENKAT REDDY
For **C. V. REDDY K & ASSOCIATES**
Company Secretaries
FCS No : 7976
C P No.: 8998

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

'Annexure A'

To,
The Members,
Tera Software Limited
Jubilee Hills, Hyderabad-500033.

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 contents 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 not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the 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.

Place: Hyderabad
Date: 28.05.2018

Sd/-
CS K.CH. VENKAT REDDY
For C. V. REDDY K & ASSOCIATES
Company Secretaries
FCS No : 7976
C P No.: 8998



INDEPENDENT AUDITOR'S REPORT

To the Members of
TERA SOFTWARE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Tera Software Limited** ("the Company"), which comprise the Balance Sheet, as at March 31, 2018, the statement of profit and loss, statement of Cash Flow for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, the statement of Profit and loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Balance Sheet, the statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- 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"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has pending tax litigations disclosed as **Note No.27** of the Notes to accounts. We are of the opinion that the pending litigations would not impact the financial position of the company.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Mullapudi & Co.,
Chartered Accountants
Firm Regn. No: 006707S

sd/-

CA.B.Krishna Sivaram Apparao
Partner
Membership No: 226476

Date: 28.05.2018
Place: Hyderabad

Annexure -A to the Independent Auditor's Report issued to the members of Tera Software Ltd

Statement on the matters specified in paragraphs 3 and 4 of the (Auditor's Report) Order, 2016

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, the fixed assets of the company have been physically verified by the management during the year in regular intervals. In our opinion the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.
- iii. During the year, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties listed in the register maintained Under Section 189 of the Companies Act. Consequently clauses (iii) (a), (iii) (b) and (iii) (c) of the companies (Auditor's Report) order, 2016 are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, no loans, investment and guarantees have been provided to the parties covered under section 185 and 186 of the Act.
- v. The company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Consequently no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any court or any other tribunal, on compliance or non-compliance of the same. Accordingly, clause (v) of the Order is not applicable



vi. In respect of the company, the Central Government of India has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act. Accordingly clause vi of the order is not applicable.

vii. (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Employees State Insurance, Provident Fund, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, GST and any other material statutory dues as applicable to it except in case of Service Tax of Rs.2,23,89,795/- and VAT of Rs.31,21,454/-

(b) There were no undisputed amounts payable in respect of Employees State Insurance, Provident Fund, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, GST and any other material statutory in arrears as at 31/03/2018 for a period more than 6 months from the day they became payable except the following:

S. No	Nature of Dues	Amount	Period to which the amount relates
1	Value Added Tax	9,63,360	2014-15
2	Value Added Tax	9,63,360	2015-16
3	Value Added tax	9,63,360	2016-17
4	Value Added tax	2,31,374	2017-18
5	Service Tax	2,20,82,358	2016-17
6	Service Tax	3,07,437	2017-18

(c) According to the information and explanations given to us, there are no material dues payable in respect of income tax, service tax, customs duty, excise duty which have not been deposited on account of any dispute other than the following:

S. No.	Name of the Statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1	The Kerala VAT	Value Added Tax	84,16,222	2005-06	CTO-Kannur
2	The Kerala VAT	Value Added Tax	61,50,240	2006-07	CTO-Kannur
3	The Kerala VAT	Value Added Tax	7,42,446	2007-08	CTO-Kannur
4	The Kerala VAT	Value Added Tax	8,52,280	2008-09	CTO-Kannur
5	The Kerala VAT	Value Added Tax	4,66,474	2009-10	CTO-Kannur
6	The AP VAT	Value Added Tax	50,70,072	2015-16	Vat Appellate Tribunal, Andhra Pradesh
7	The AP VAT	Value Added Tax	87,81,759	2016-17	Vat Appellate Tribunal, Andhra Pradesh
8	The AP VAT	Penalty on VAT	12,67,518	2015-16	Vat Appellate Tribunal, Andhra Pradesh
9	The AP VAT	Penalty on VAT	21,95,440	2016-17	Vat Appellate Tribunal, Andhra Pradesh
10	The Finance Act 1994	Service Tax	3,99,98,766	2011-12	CESTSAT- Hyderabad
11	The Finance Act 1994	Penalty on Service Tax	4,00,08,766	2011-12	CESTSAT- Hyderabad
12	The Finance Act 1994	Service Tax	15,40,170	2008-09 to 2012-13	CESTSAT- Hyderabad
13	The Finance Act 1994	Penalty on Service Tax	15,50,170	2008-09 to 2012-13	CESTSAT- Hyderabad

- i. In our opinion and according to the information and explanation and given to us, the company has not defaulted in repayment of loans or borrowings availed from financial institution, banks and government. During the year the company has not issued debentures.
- ii. The company did not raise the money by way of any initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- iii. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- iv. According to the information and explanations given to us, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of sections 197 read with Schedule V to the Act.
- v. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- vi. According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- vii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- viii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- ix. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Mullapudi & Co.,
Chartered Accountants
Firm Regn. No: 006707S

sd/-

CA.B.Krishna Sivaram Apparao
Partner
Membership No: 226476

Date: 28.05.2018

Place: Hyderabad



Annexure –B to the Independent Auditor’s Report issued to the members of Tera Software Ltd

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 **Tera Software Limited** (“the Company”) as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Mullapudi & Co.,
Chartered Accountants
Firm Regn. No: 006707S

Date: 28.05.2018
Place: Hyderabad

sd/-
CA.B.Krishna Sivaram Apparao
Partner
Membership No: 226476



BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. in Lakhs)

Particulars	Note	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
I. ASSETS				
1. Non-current assets				
(I) Property, Plant & Equipment	1	3,414.02	3,635.73	3,690.20
(ii) Financial Assets				
(a) Other Financial Assets	2	223.96	279.95	204.50
(iii) Other non current assets	3	69.74	247.08	321.46
(iv) Deferred tax Asset (net)	4	199.95	195.52	165.86
Total non-current assets		3,907.67	4,358.28	4,382.02
2. Current assets				
(i) Inventories	5	1,214.98	612.27	809.42
(ii) Financial Assets				
(a) Trade receivables	6	11,638.63	14,094.74	12,814.09
(b) Cash and Cash Equivalents	7	968.41	813.56	2,906.67
(c) Other financial assets	8	14.24	24.73	40.09
(iii) Other current assets	9	915.80	1,319.22	1,181.51
Total current assets		14,752.06	16,864.52	17,751.78
TOTAL		18,659.73	21,222.80	22,133.80
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	10	1,251.19	1,251.19	1,251.19
(b) Other Equity	11	8,617.33	8,459.72	7,382.26
Total Equity		9,868.52	9,710.91	8,633.45
B Liabilities				
1. Non-current liabilities				
(i) Financial liabilities				
(a) Long-term borrowings	12	106.96	67.66	74.63
(ii) Long-term provisions	13	125.48	97.06	77.54
Total non-current liabilities		232.44	164.72	152.17
Current liabilities				
(i) Financial liabilities				
(a) Short-term borrowings	14	4,308.83	4,524.00	4,284.45
(b) Trade payables	15	3,170.43	5,786.78	7,744.84
(c) Other financial liabilities	16	138.35	144.20	160.95
(ii) Other current liabilities	17	699.27	624.23	727.88
(iii) Short-term provisions	18	241.89	267.96	430.06
Total current liabilities		8,558.77	11,347.17	13,348.18
Total		18,659.73	21,222.80	22,133.80

As per our report of even date

For MULLAPUDI & CO.,
FR No. 006707S
Chartered Accountants

sd/-
(Koteswara Rao SSR)
Chairman
DIN:00964290

sd/-
(T. Gopichand)
Vice Chairman & Managing Director
DIN:00107886

sd/-
(CA. B. KRISHNA SIVARAM APPARAO)
Partner
M.No. 226476

sd/-
(CA CH. Vijaya Bhaskar)
Chief Financial Officer

sd/-
(CS B Sowmya)
Company Secretary

Place : Hyderabad
Date : 28.05.2018

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. in Lakhs)

Particulars	Note	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
		31-Mar-18	31-Mar-17
I Revenue from operations (Gross)	19	16,943.88	27,089.80
II Other income	20	241.85	580.92
III Total Income (I+II)		17,185.73	27,670.72
IV Expenses			
Cost of materials consumed			
Purchase of Stock In Trade	21	9,470.63	16,498.19
Change in inventories of Stock In Trade	22	(602.71)	197.15
Duties & Taxes		2,390.70	2,055.91
Technical & Operation expense	23	1,781.54	2,802.96
Employee benefit expenses	24	2,571.21	2,726.37
Finance costs	25	723.57	658.21
Depreciation and amortization expenses	1	254.19	236.13
Other expenses	26	366.29	814.99
Total Expense		16,955.42	25,989.91
V Profit /(Loss) before Exceptional Items and tax (1-VI)		230.31	1,680.81
VI Exceptional Items		-	-
VII Profit/(Loss) before tax (V-VI)		230.31	1,680.81
VIII Tax expense			
1) Current tax		89.13	637.87
2) Earlier years Taxes		(12.00)	(4.87)
3) Deferred tax (Net)		(4.43)	(29.65)
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		157.61	1,077.46
X Profit/(Loss) from discontinuing operations		-	-
XI Tax expense of discontinuing operations		-	-
XII Profit/(Loss) from discontinuing operations (X-XI)		-	-
XIII Profit/(Loss) for the period (IX-XII)		157.61	1,077.46
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss ⁱⁱ		-	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit /(Loss) and Other Comprehensive Income for the period)		157.61	1,077.46
XVI Earnings per equity share Rs10/- (for continuing operations)			
1) Basic		1.26	8.61
2) Diluted		1.26	8.61
XVII Earnings per equity share Rs10/- (for discontinuing operations)			
1) Basic		-	-
2) Diluted		-	-
XVIII Earnings per equity share Rs10/- (for discontinuing operations)			
1) Basic		1.26	8.61
2) Diluted		1.26	8.61

As per our report of even date

For MULLAPUDI & CO.,
FR No. 006707S
Chartered Accountants

sd/-
(CA. B. KRISHNA SIVARAM APPARAO)
Partner
M.No. 226476

sd/-
(Koteswara Rao SSR)
Chairman
DIN:00964290

sd/-
(CA CH. Vijaya Bhaskar)
Chief Financial Officer

sd/-
(T. Gopichand)
Vice Chairman & Managing Director
DIN:00107886

sd/-
(CS B Sowmya)
Company Secretary

Place : Hyderabad
Date : 28.05.2018



Cash Flow Statement for the Financial Year 2017-18

(Rs. in Lakhs)

Particulars	2017-18	2017-18
A. Cash flow from operating activities		
Net Profit before tax as per Profit & Loss Statement	230.31	1,680.81
<i>Adjustments for:</i>		
Depreciation and amortisation	254.19	236.13
Liabilities no longer required written back	(18.56)	(336.32)
Provision for doubtful, & bad debts written off	145.02	271.61
Finance costs	723.58	658.21
Rental Income	(177.74)	(174.91)
Interest income	(45.55)	(66.82)
	880.94	587.90
Operating profit before working capital changes	1,111.25	2,268.71
<i>Adjusted for:</i>		
Trade receivables	2,520.11	(1,541.13)
Movement in Advances & Deposits	99.50	(391.90)
Inventories	(602.71)	197.16
Trade & Other Payables	(2,063.51)	(1,502.80)
	(46.61)	(3,238.67)
Cash generated from operations	1,064.64	(969.95)
Net income tax (paid) / refunds	(209.59)	(591.26)
Net cash flow from operating activities (A)	855.05	(1,561.21)
B. Cash flow from investing activities		
Purchase Of Fixed Assets	(32.48)	(181.66)
Interest Income Received	56.04	82.18
Rental Income Received	177.74	174.91
Net cash flow from Investing activities (B)	201.30	75.43
C. Cash flow from financing activities		
Proceeds from Long Term Borrowings	74.00	36.00
Repayment of Long Term Borrowings	(33.43)	(31.09)
Short Term Borrowings(Net)	(216.45)	227.67
Dividends & Dividend Tax Paid	(2.05)	(181.70)
Interest Paid	(723.57)	(658.21)
Net cash flow from Financing activities (C)	(901.50)	(607.33)
Net increase in Cash and cash equivalents (A+B+C)	154.85	(2,093.11)
Opening balance of Cash and cash equivalents	813.56	2,906.67
Closing balance of Cash and cash equivalents	968.41	813.56
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	1.31	1.15
Balances with Banks		
On Current Accounts	390.38	417.69
On Deposit Accounts	576.72	394.72
Cash and cash Equivalent as per Note 7	968.41	813.56

As per our report of even date

For MULLAPUDI & CO.,
FR No. 006707S
Chartered Accountants

sd/-
(CA. B. KRISHNA SIVARAM APPARAO)
Partner
M.No. 226476

sd/-
(Koteswara Rao SSR)
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Chief Financial Officer

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(T. Gopichand)
Vice Chairman & Managing Director
DIN:00107886

sd/-
(CS B Sowmya)
Company Secretary

Place : Hyderabad
Date : 28.05.2018

SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. The financials for the year ended March 31, 2018 of the company are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2016. The financial statements up to the year ended March 31, 2017, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. Reconciliations and description of the effect of the transition to Ind AS from Indian GAAP is given in Note No.34.

2. Basis of accounting

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis as stated in the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

3. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

4. Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

5. Revenue recognition

Revenue is recognized based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.

- Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, provided all the following conditions are satisfied:
 - a) Significant risks and rewards of ownership of the goods are transferred to the buyer;
 - b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
 - c) The amount of revenue can be measured reliably;
 - d) It is probable that the economic benefits associated with the transaction will flow to the company; and
 - e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue from sale of software products is recognized when the sale is completed with the passing of title to the customers and revenue from software development on the time-and-material basis is recognized based on software developed and billed to clients as per the terms of contracts.



- Revenue from Technical Services is recognized on a pro-rata basis over the period in which such services are rendered.
- For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance Sheet as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.
- Revenue from Maintenance Contracts is recognized on a pro-rata basis over the period in which such services are rendered.
- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Revenue from Projects Division is recognized on pro-rate basis as per the terms of the contract over the life of the project.
- Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

6. Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

7. Property, plant and equipment (PPE)

PPE is recognised 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016. In respect of revalued assets, the value as determined by values as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress". (Also refer to policies on leases, borrowing costs, impairment of assets and foreign currency transactions infra).

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Freehold land is not depreciated.

8. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

9. Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost.

Following initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortized on straight line basis over the estimated useful life. The method of amortization and useful life is being reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

10. Impairment of assets

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

11. Employee Benefits

Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

Post-employment benefits:

Provident Fund

The company makes contribution to Provident Fund administered by the Central Government under The Employees Provident Funds and Miscellaneous Provisions

Act, 1952 and recognised the same as an expense in the profit and loss account.

Gratuity

For defined post-employment benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

12. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases

- a) Leases where the company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- b) Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

- a) Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.
- b) Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.



13. Financial Instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

13.1 Financial assets

A. *Financial asset is*

1. Cash / Equity Instrument of another Entity,
 2. Contractual right to:
 - a) Receive Cash / another Financial Asset from another Entity, or
 - b) Exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favorable to the Entity.
- A. All recognised financial assets are subsequently measured in their entirety at amortized cost or at fair value depending on the classification of the financial assets as follows:
- i) Investments in debt Instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.
 - ii) Other investments in debt instruments at amortized cost, subject to following conditions:
 - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - iii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (unless the same are designated as fair value through profit or loss)
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iv) Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
- v) Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
- vi) Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

For financial assets that are measured at FVTOCI, income by way of interest, dividend and exchange difference (on debt instrument) is recognised in profit or loss and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

B. *A financial asset is primarily derecognised when:*

- i) The right to receive cash flows from the asset has expired, or
- ii) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of derecognition and the consideration received is recognised in profit or loss.

C. *Impairment of financial assets:* The Company recognises impairment loss on trade receivables using expected

credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. Impairment loss on investments

13.2 Financial liabilities

Financial liability is Contractual Obligation to

- a) Deliver Cash or another Financial Asset to another Entity, or
- b) Exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavorable to the Entity.

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

Financial liability is derecognised when the related obligation expires or is discharged or cancelled.

13.3 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may or may not be realized.

13.4 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would

use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

14. Inventories

Inventories are valued after providing for obsolescence, as under:

- a) Raw materials, components, construction materials, stores, spares and loose tools at lower of weighted average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost.
- b) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of weighted average cost or net realisable value. Cost includes related overheads and excise duty paid/payable on such goods.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

15. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

16. Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use



or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

17. Foreign currencies

- i) The functional currency and presentation currency of the company is Indian Rupee.
- ii) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:
 - a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
 - b) exchange differences on transactions entered into in order to hedge certain foreign currency risks.

18. Taxes on income

Income tax expense represents sum of the tax currently payable and deferred tax

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that In addition, deferred tax

liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities 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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- a) the company has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

20. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities based on the available information. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii) all other items for which the cash effects are investing or financing cash flows.

Cash comprises cash on hand and demand deposits with banks.

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

21. Earnings Per Share:

Basic earnings per equity share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

22. Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Revenue recognition

The Company uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the

contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation/ amortisation and Useful life of Property, Plant and equipment

The Company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates. During the current year, there has been no change in life considered for the assets.

Recoverability of trade receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered to determine the provision include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non payment.

Estimation of net realizable value of inventories

Inventories are stated at the lower of cost and Fair value. In estimating the net realisable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured



at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

23. First time adoption of Ind AS

The company has prepared opening Balance Sheet as per Ind AS as of April 1, 2016 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the company under Ind AS 101 are as follows:

- i) The company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment as deemed cost of such assets at the transition date.
- ii) The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with I-GAAP.

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1-Apr-17	Additions during the year	Upto 31-Mar-18	As at 1-Apr-17	For the Period	Upto 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
i. TANGIBLE								
Land	2,536.95	-	2,536.95	-	-	-	2,536.95	2,536.95
Buildings	558.09	-	558.09	68.90	9.46	78.36	479.73	489.19
Plant and Equipment	5,394.62	32.48	5,427.10	5,298.06	66.36	5,364.42	62.68	96.56
Furniture and Fixtures	243.05	-	243.05	164.37	14.14	178.51	64.54	78.68
Vehicles	100.94	-	100.94	47.76	8.64	56.40	44.54	53.18
Office equipment	25.07	-	25.07	21.88	0.64	22.52	2.55	3.19
Electrical & Fixtures:	272.46	-	272.46	175.31	14.47	189.78	82.68	97.15
Capital Assets on ** Projects Division	1,082.88	-	1,082.88	802.05	140.48	942.53	140.35	280.83
Total	10,214.06	32.48	10,246.54	6,578.33	254.19	6,832.52	3,414.02	3,635.73
*Previous Year	10,032.41	181.65	10,214.06	6,342.20	236.13	6,578.33	3,635.73	
ii. Capital Work in Progress								

Note: * Difference in opening balance of previous year gross is due to IND AS adjustment(Refer Note.34)

** Total Assets acquired under project division are transferable to the respective customers at the end of the tenure of the project

(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
FINANCIAL ASSETS			
2 Other Financial Assets			
Security and other Deposits	223.96	279.95	204.50
Total	223.96	279.95	204.50
3 Other Non Current Assets			
(Unsecured, Considered good)			
Bank deposits maturity of more than 12 months	69.74	247.08	321.46
Total	69.74	247.08	321.46
4 Deferred tax Asset (net)			
On account of Fixed Assets	(14.82)	(25.91)	32.58
On account of Income tax disallowances	(185.13)	(169.61)	(198.44)
Total	(199.95)	(195.52)	(165.86)
5 Inventories			
(a) Raw-materials	137.95	-	
(b) Trading Goods	431.14	612.27	809.42
(C) Maintenance Work-in-progress	645.89	-	
Total	1,214.98	612.27	809.42
6 Trade receivables			
(Unsecured, considered good)	11,681.95	14,138.06	12,512.77
Less: Provision for doubtful debts	(43.32)	(43.32)	(54.45)
Total	11,638.63	14,094.74	12,458.32



(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
7 Cash and Cash Equivalents			
(i) Cash on hand	1.31	1.15	0.23
(ii) Balances with Banks			
In current accounts	376.99	402.24	1,469.07
In Dividend account	13.39	15.45	16.44
In Marging Money Deposits	576.72	394.72	1,420.93
Total	968.41	813.56	2,906.67
8 Other financial assets			
Accrued Interest	14.24	24.73	40.09
Total	14.24	24.73	40.09
9 Other current assets			
(Unsecured and considered good)			
(a) Advance to Suppliers / Service Providers	352.04	556.12	773.36
(b) Staff Advances	0.70	1.89	0.22
(c) Advance for Expenses	5.76	32.47	5.02
(d) Prepaid expense	98.97	434.68	67.12
(e) Balances with government authorities	458.33	294.06	335.79
Total	915.80	1,319.22	1,181.51

10 Share capital

(In Lakhs)

Particulars	As at 31/Mar/18		As at 31/Mar/17		As at 01/Apr/16	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised Equity Shares of Rs 10/- each	250.00	2,500.00	250.00	2,500.00	250.00	2,500.00
Issued, Subscribed & Fully Paid up Equity shares of Rs 10/- each	125.12	1251.19	125.12	1251.19	125.12	1251.19

10.1 Details of Shareholders holding more than 5% of total number of shares

Name of the Shareholder	As at 31/Mar/18		As at 31/Mar/17		As at 01/Apr/16	
	No of shares held (In Lakhs)	% out of total number of shares of the company	No of shares held (In Lakhs)	% out of total number of shares of the company	No of shares held (In Lakhs)	% out of total number of shares of the company
Tummala Gopichand	23.97	19.15%	24.17	19.31%	31.67	25.31%
Tummala Pavana Devi	11.75	9.39%	11.75	9.39%	19.73	15.77%

10.2 Reconciliation of number of shares

(In Lakhs)

Name of the Shareholder	As at 31/Mar/18		As at 31/Mar/17		As at 01/Apr/16	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	125.12	1,251.19	125.12	1,251.19	125.12	1,251.19
Add: Shares issued during the year	-	-	-	-	-	-
	125.12	1,251.19	125.12	1,251.19	125.12	1,251.19
Less: Shares bought back during the year	-	-	-	-	-	-
	125.12	1,251.19	125.12	1,251.19	125.12	1,251.19

11 OTHER EQUITY

(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
Securities Premium Reserve			
Figures as at the end of the previous reporting period	851.00	851.00	851.00
Additions	-	-	-
Deductions	-	-	-
Figures as at the end of current reporting period	851.00	851.00	851.00
General Reserve			
Figures as at the end of the previous reporting period	3,834.76	3,834.76	3,834.76
Additions	-	-	-
Deductions	-	-	-
Figures as at the end of current reporting period	3,834.76	3,834.76	3,834.76
Surplus in Profit and Loss Account			
Figures as at the end of the previous reporting period	3,773.96	2,696.50	1,184.91
Add : Profit for the year / period	157.61	1,077.46	771.74
Less : Proposed dividend	-	-	(150.14)
: Tax on Proposed dividend	-	-	(30.57)
Ind AS adjustment			920.56
Figures as at the end of current reporting period	3,931.57	3,773.96	2,696.50
Total of Reserves and Surplus	8,617.33	8,459.720	7,382.26

(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
12 Long term borrowings			
Term loans			
From Banks	18.23	31.37	74.63
From Directors	88.73	36.29	-
Total	106.96	67.66	74.63

12.1 5,82,420 shares are pledged (previous year 5,82,420 shares) in favour of Canara Bank as per terms and conditions of their sanction letters



(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
13 Long term provisions			
Provision for employee benefits:			
Gratuity	125.48	97.06	77.54
Total	125.48	97.06	77.54
14 Short term borrowings			
- Secured			
(a) Term Loans repayable on demand from banks	13.15	11.87	-
(b) Cash credit	4,295.68	4,512.13	4,284.45
Total	4,308.83	4,524.00	4,284.45

14.1 Cash credit from Bank of Maharashtra and Canara Bank are secured by

- First Charge by way of hypothecation of the company's entire Stocks of Raw Materials, Semi-finished and Finished goods, consumables stores and spares and such other movables including Book debts, bills whether documentary or clean, outstanding monies, receivables, and other Current Assets of the company both present and future ranking pari passu for all lending bankers.
- Hypothecation/First Charge on all unencumbered fixed Assets of the company both present and future
- Equitable Mortgage of Land & Buildings in the name of the company
- Counter Guarantee of the company and Personal guarantee of its directors and extension of First Charge on the Current assets

14.2 Loans from Directors taken during the financial year 2017-18 carry a interest of 12% p.a. and repayable in 1 year

(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
15 Trade Payables			
Trade payables	3,170.43	5,786.78	7,744.84
Total	3,170.43	5,786.78	7,744.84

Based on the information available with the company, on which auditors relied upon

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
16 Other Financial Liabilities			
Retention money	124.95	128.75	144.51
Unpaid Dividend	13.40	15.45	16.44
Total	138.35	144.20	160.95
17 Other Current Liabilities			
Statutory dues	524.60	370.90	518.37
Other payables	174.67	253.33	209.51
Total	699.27	624.23	727.88
18 Short-term Provisions			
Provision for employee benefits:			
Gratuity	21.16	21.40	19.47
Provision- others:			
- Provision for SLA's	220.73	246.56	229.88
- Provision for proposed dividend			150.14
- Provision for Tax on proposed dividend	-	-	30.57
Total	241.89	267.96	430.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
	31-Mar-18	31-Mar-17
19 Revenue from Operations		
Sales of Goods	9,671.27	17,411.50
Sale of Services	4,881.91	7,622.39
Duties & Taxes	2,390.70	2,055.91
Total	16,943.88	27,089.80
20 Other Income		
Interest income	45.55	66.82
Rental Income	177.74	174.91
Others	18.56	339.19
Total	241.85	580.92
21 Purchase Of Stock In Trade		
Purchase	9,470.63	16,498.19
Total	9,470.63	16,498.19
22 Changes in Inventories		
Inventories at the beginning of the year		
Raw Materials	-	-
Traded Goods	612.27	809.42
Maintenance Work-in-progress	-	-
Total (A)	612.27	809.42
Inventories at the end of the year		
Raw Materials	137.95	
Traded Goods	431.14	612.27
Maintenance Work-in-progress	645.89	-
Total (B)	1,214.98	612.27
(Increase) / Decrease in Stocks (A) - (B)	(602.71)	197.15
23 Technical & Operation Expenses		
Power and Fuel	23.13	25.40
Rent Charges	68.31	70.59
Consumables	19.57	61.13
Insurance	16.44	27.07
Repairs & Maintenance	85.97	96.98
Transportation Charges	1.41	3.54
Subcontract & Other Work Charges	1,566.71	2,518.25
Total	1,781.54	2,802.96
24 Employee Benefit Expense		
Salaries, Wages and other benefits	2,373.33	2,512.51
Contribution to Provident Fund & other Funds	192.61	208.72
Staff Welfare Expense	5.27	5.14
Total	2,571.21	2,726.37
25 Finance Cost		
Interest	585.71	512.91
other borrowing cost	137.86	145.30
Total	723.57	658.21



(Rs. in Lakhs)

Particulars	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
	31-Mar-18	31-Mar-17
26 Other Expenses		
Rates and Taxes	32.17	24.87
Office Maintenance	8.30	10.33
Communication Expense	13.57	257.99
Conveyance Expense	3.14	4.67
Provision on SLAs	7.84	58.68
Travelling, Boarding & Lodging Expense	32.37	60.68
Printing and Stationery	1.27	5.04
Professional & Consultancy Expense	15.23	19.61
Security Charges	7.35	6.63
Directors' sitting fee	4.69	5.67
Payment to Auditors		
Statutory Audit fee	7.88	9.00
Tax Audit fee	2.63	3.00
Other Services	1.50	2.50
Advertisement Expense	1.31	2.15
Provision for Doubtful Debts (Net)	-	(11.13)
Bad Debts Written off	111.35	271.61
Business Promotion	8.30	9.57
Bank Charges and Others	25.72	5.24
CSR Expenses	23.16	-
Liquidated damages	35.18	-
Miscellaneous Expense	23.33	68.88
Total	366.29	814.99

27 Contingent Liabilities and Commitments not provided for

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(A) Contingent Liability		
(a) Matters under litigation		
Claims against the company not acknowledged as debt		
Service Tax		
Disputed Service Tax Liability for which the company has filed An appeal with CESTAT-Hyderabad	830.98	830.98
Sales tax		
Disputed VAT liability for which the company has filed an appeal with Deputy Commissioner (Appeals) and the same is reverted back to jurisdiction CTO Kannur for Re-assessment.	166.27	166.27
Disputed Vat liability for which the company has filed an appeal with AP VAT Appellate Tribunal-Visakhapatnam	173.15	173.15
(b) <i>Impact of pending legal suits in various courts:</i> The Company is a party to several legal suits on contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are Decided by the appropriate authorities	Amount not ascertainable	Amount not ascertainable
(c) <i>Guarantees</i>		
Bank Guarantees issued by banks on behalf of Company	3006.01	4,154.20
(B) Commitments	NIL	NIL

28 Employee Benefits

The Liability for Gratuity has been determined by an actuary in conformity with the principle set out in Accounting Standard 15 (Revised) the details of which are as under:

Description	2017-18 (Rs in lakh)	2016-17 (Rs in lakh)
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	118.46	97.01
b. Current Service Cost	25.18	13.69
c. Interest Cost	9.48	7.76
d. Actuarial (Gain)/Loss	-	-
e. Past services cost	-	-
f. Benefits Paid	(6.48)	-
g. Obligation as at the end of the year	146.64	118.46
2. Expense recognized in the period		
a. Current Service Cost	25.18	13.69
b. Interest Cost	9.48	7.76
c. Actuarial(Gain)/Loss	-	-
d. Past service cost	-	-
e. Expense recognized during the year	34.66	21.45
3. Assumptions	%	%
a. Discount Rate (per annum) as at the end of the year	7.72%	8.00%
b. Salary Rise	2.00%	4.00%
c. Attrition Rate	1.00%	8.60%

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	31-Mar-18 (Ind AS-19)		31-Mar-17 (Ind AS-19)	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	1,46,63,953		1,18,45,835	
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,60,73,778 9.61	1,34,73,185 -8.12	1,30,82,307 10.43	1,08,03,671 -8.80
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1,29,94,800 -11.38	1,66,89,175 13.81	1,05,63,570 -10.82	1,34,09,646 13.20
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	1,30,31,780 -11.13	1,61,22,472 9.95	1,30,82,307 10.43	1,08,03,671 -8.80
Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	1,46,18,606 -0.31	1,47,09,121 0.31	-	-



29 Segment Reporting

The Company's operations predominantly relate to providing Integrated Solutions, Technical Division, Projects Division and Software Development Services to customers globally operating. Accordingly, the primary basis of segmental information set out in these financial statements, and secondary segmental reporting is performed on the basis of the geographical location.

Income & Direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of the costs are allocated on the bases of available information. Certain expenses, which form a significant component of total expenses, are not specifically allocable to specific segments. The Company believes that it is not practicable to provide segmental disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocable" and directly charged against total income.

a. Business Segments :

Year ended March 31, 2018 and 2017

(Rs in Lakhs)

	Integrated Solutions	Technical Division	Projects Division	Others	Unallocable	Total
Revenues	9,532.65	3,088.77	4,291.85			16,913.27
	464.40	3,293.72	23,305.59			27,063.71
Identified operating Expenses	8,536.13	2,809.02	4,062.25			15,409.50
	828.91	2,992.88	20,382.91			24,204.70
Allocated Expenses	4.19		120.88			125.07
	1.68		225.26			226.94
Segmental operating Income-	990.23	279.75	108.72			1,378.70
	(366.19)	300.84	2,697.42			2,632.07
Unallocable expenses					697.27	697.27
					900.09	900.09
Operating income						681.43
						1,731.98
Other income/(expenses), net					226.91	226.91
					540.19	540.19
Net profit before Interest						908.35
						2,272.17
(Less): Interest Expenses					723.58	723.58
					658.21	658.21
Add: Interest Income					45.55	45.55
					66.82	66.82
Net profit before taxes						230.31
						1,680.78
Income Taxes						72.69
						603.34
Net Profit after taxes						157.62
						1,077.44
Other Information						
Segment Assets	1,551.94	765.70	10,098.31		4,739.89	17,155.84
	1,636.03	840.93	12,688.76		4,906.58	20,072.30
Segment Liabilities	652.28	758.69	882.58		14,862.27	17,155.82
	102.26	1,011.73	3,948.82		15,009.47	20,072.28
Capital Expenditure			32.48			32.48
		181.65				181.65
Depreciation			209.37		44.82	254.19
			192.06		44.07	236.13

30 Related Party disclosure

- As per Indian Accounting Standard 24, the disclosures of transactions with the related parties as defined in the Accounting Standard and certified by the management

a) Name of Related Parties & relationship

Party Name	Relation	Transactions Entered During the Period YES/NO
Mr. T. Gopichand & Mr.T.Gopichand (HUF)	Key Management Personnel (Vice Chairman & Managing Director), Spouse of Mrs. T. Pavana Devi & Brother of T.Bapaiah Chowdary.	YES
Mrs. T. Pavana Devi	Director & Spouse of Mr.T. Gopichand.	YES
Mr.T.Bapaiah Chowdary	Director & Brother to the Vice-Chairman & Managing Director (Mr.T.Gopichand)	YES
Mr.T.Madhu Mitra	Son of Vice Chairman & Managing Director	YES
Mr.T.Girish	Son of T.Bapaiah Chowdary	YES
Mrs. T. Vindhya	Daughter-In-law of Sri. T.Gopichand (Vice Chairman & Managing Director) & Smt T. Pavana Devi, Director	YES



Transactions with Related parties:

Name of the related party	Mr. T. Gopichand & Mr. T. Gopichand (HUF)	Mrs.T. Pavana Devi	Mr.T.Bapaiah Chowdary	Mr.T.Madhu Mitra, Mrs.T.Vindhya & Mr. T.Girish
Description of the nature of transactions	a) Remuneration b) Rent paid for Office Premises. c) Unsecured Loan Received d) Interest on unsecured loan	a) Sitting Fees b) Interest on unsecured loan.	a) Sitting Fee b) Supply of Goods	Salary
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of Rs 84.00 lakhs B) Rent paid for Office Premises Rs10.71 lakh C)Unsecured Loan Received of Rs.74.00 lakh received d)Interest on unsecured loan of Rs.7.30 lakh e) Loan repaid of Rs.11.00 Lakhs	a) Sitting Fee Paid Rs.0.75lakh. b) Interest on unsecured loan of Rs.0.73 lakhs c) Loan repaid of Rs.17.00 Lakhs	a) Sitting Fee Paid Rs.0.58 lakh. b)Total transaction value is Rs.12.79 Lakhs	Salary of Rs 9.49 lakh, Rs.5.20 lakh and Rs.6.09 respectively.
Any other elements of the related party transactions	Managerial Remuneration, Rent for office premises approved by Board of Directors	NIL	NIL	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	a) Managerial Remuneration Payable Rs 153.94 lakh b) Unsecured Loan including interest Rs.88.73 lakh	NIL	NIL	Salary Payable of Rs 0.80 lakh, Rs 0.43 lakh and Rs.0.50 respectively.
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL

31 Financial instruments:

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Capital Management

The company ensures financial flexibility and diverse sources of financing and their maturities to minimize liquidity risk while meeting investment requirements. The objectivity of company's capital management is to maximize the total shareholder return by optimizing cost of capital through flexible capital structure that supports growth. The company maintains financial strength to maintain/enhance credit ratings.

The Company determines the amount of capital required on the basis of budgets and estimates made annually and reviewing periodically the operating plan and long-term strategic plans. The company meets its funding requirement through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarizes the capital of the Company:

(Rs. in Lakhs)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
A. Equity	9,868.53	9,710.91	8,633.45
B. Net debt			
Short-term borrowings and current portion of long-term debt	4,308.83	4,524.00	4,284.45
Add: Long-term debt	106.96	67.66	74.63
Less: Cash and cash equivalents	(391.69)	(418.84)	(1,485.74)
B. Total Net Debt	4,024.10	4,172.82	2,873.34
Total capital (A + B)	13,892.63	13,883.73	11,506.79

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

■ Interest rate risk

The company's total borrowings represent short term borrowings (WCDL) and the interest rate primarily basing on the company's credit rating and also the changes in the financial market. Company continuously monitoring over all factors influence rating and also factors which influential the determination of the interest rates by the banks to minimize the interest rate risks.

■ Foreign currency risk

The company has several balances in foreign currency and consequently the company is exposed to foreign exchange risk. The risk on company's foreign currency changes commensurate with the size of the company is not material. The company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2018, March 31, 2017

The carrying amounts of the Company's substantial foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:



(Rs. in Lakhs)

Currency	Liabilities		
	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
USD	12.19 (INR 793.24)	0.41 (INR 26.82)	NIL

Sensitivity analysis of 2% change in exchange rate at the end of reporting period

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2018	As at March 31, 2017
	USD	USD
2% Depreciation in INR		
Impact on P&L	15.86	0.54
Total	15.86	0.54
2% Appreciation in INR		
Impact on P&L	15.86	0.54
Total	15.86	0.54

Credit risk management

Credit Risk is the risk that a customer or counterparty to a financial asset fails to perform or pay the amount due causing financial loss to the company. The maximum exposure of the financial assets represents trade receivables and work in progress.

The company has a prudent and conservative process for managing its credit risk in the course of its business activities. The risk on trade receivables, work in progress is limited as the customers of the company mainly consist of Government promoted entities having a strong credit worthiness. For doubtful receivables the company uses a provision matrix to compute the expected credit loss allowances for trade receivables. The provision Matrix takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

Liquidity risk management

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

32 Other disclosures pursuant to Ind AS 107 “Financial instruments: Disclosures”:

(i) Category wise classification of applicable Financial Instruments:

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
(i)	Financial Assets measured at Amortised cost	-	-	-
	a. Trade receivables	11,638.63	14,094.74	12,814.09
	b. Cash & Cash Equivalents and bank balances	968.41	813.56	2,906.67
	c. Other financial assets	238.20	304.68	244.59
	Total	12,845.24	15,212.98	15,965.35
(ii)	Financial Liabilities measured at Amortised cost			
	a. Borrowings	4,308.83	4,524.00	4,284.45
	b. Trade payables	3,170.43	5,786.78	7,744.84
	c. Other financial liabilities	245.31	211.86	235.58
	Total	7,724.57	10,522.64	12,264.87

(ii) Fair value of financial assets and financial liabilities measured at amortised cost

Financial assets measured at amortised cost:

The carrying amounts of trade receivables and cash and cash equivalents are considered to be the same as their fair values due to their short-term nature. The carrying amounts of long term loans given with floating rate of interest are considered to be close to the fair value.

Financial liabilities measured at amortised cost:

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amounts of borrowings with floating rate of interest are considered to be close to the fair value.

(iii) Maturity profile of financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31,2018			As at March 31,2017			As at April 01,2016		
	Within Twelve Months	After Twelve Months	Total	Within Twelve Months	After Twelve Months	Total	Within Twelve Months	After Twelve Months	Total
Borrowings	4,308.83	-	4,308.83	4,524.00	-	4,524.00	4,284.45	-	4,284.45
Trade payables	3,155.10	-	3,155.10	5,786.78	-	5,786.78	7,744.84	-	7,744.84
Other financial Liabilities	138.35	106.96	245.31	144.2	67.66	211.86	160.95	74.63	235.58



33 First-time adoption of Ind-AS

- (i) These financial statements, for the year ended March 31, 2018 have been prepared in accordance with the Ind AS. For the purpose of transition to Ind AS, the Company has complied with Ind AS 101 – “First time adoption of Indian Accounting Standard” for exemptions and exceptions, on transition date (i.e. April 1, 2016) and Indian GAAP is the previous GAAP followed by the company.
- (ii) The transition to Ind AS has resulted in changes in the presentation of financial statements, disclosures in the notes and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the separate financial statements for the year ended March 31, 2018 and the comparative information.

34 The effect of the Company's transition to Ind AS is summarized as reconciliations of Equity, Profit and Total comprehensive income with Indian GAAP as explained below:

- (a) Reconciliation of equity as previously reported under Indian GAAP to Ind AS.
- (b) Reconciliation of profit or loss and Total Comprehensive income as previously reported under Indian GAAP to Ind AS.
- (c) Adjustments to the statement of cash flows.

Statement of reconciliation of Equity for the period ended March 31, 2017

(Rs. in Lakhs)

Particulars	As At March 31, 2017	As At April 1, 2016
Equity as per IGAAP	8,817.63	7,712.87
Add: Fair Value for Financials Assets and Liabilities	920.58	920.58
Deferred tax impact	(27.30)	-
Equity reportable under Ind AS	9,710.91	8,633.45

Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2017
Net profit under previous IGAAP	1104.76
Effect of Ind AS Adjustments	(27.30)
Net profit under Ind AS	1077.46
Total Comprehensive Income as per Ind AS	1077.46

35 Deferred Tax

Tax charged to Profit and Loss account is after considering deferred tax impact for the timing difference between accounting income and taxable income.

The deferred tax liability as at March 31, 2018 comprise of the following:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
A Deferred Tax Liability		
Related to fixed assets	(14.82)	(25.91)
B Deferred Tax Assets		
Disallowance under the Income tax Act, 1961	(185.13)	(169.91)
C Deferred tax Liability (net)	(199.95)	(195.52)

36 There are no micro and small scale enterprises to which the company owes dues, as at 31st March 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

37 Earnings Per Share

Particulars	2017-18	2016-17
Net Profit After Tax (Rs in lakhs)	157.61	1077.46
Weighted Average Number of Equity shares of Rs.10 each (In lakhs)	125.12	125.12
Nominal Value of Shares (In Rs)	10	10
Earnings Per Share (Basic/Diluted) (In Rs)	1.26	8.61

38 Figures for the corresponding year ended March 31, 2017, wherever necessary, have been regrouped, recast, rearranged as per the Schedule III of Companies Act, 2013.

As per our report of even date

For MULLAPUDI & CO.,
FR No. 006707S
Chartered Accountants

sd/-
(Koteswara Rao SSR)
Chairman
DIN:00964290

sd/-
(T. Gopichand)
Vice Chairman & Managing Director
DIN:00107886

sd/-
(CA. B. KRISHNA SIVARAM APPARAO)
Partner
M.No. 226476

sd/-
(CA CH. Vijaya Bhaskar)
Chief Financial Officer

sd/-
(CS B Sowmya)
Company Secretary

Place : Hyderabad

Date : 28.05.2018



TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

Registered Office: #8-2-293/82/A/1107, Plot No: 1107, Road No: 55, Jubilee Hills, Hyderabad-500033
Tel.Nos.040-23547447

Email: info@terasoftware.in Website: www.terasoftware.com

ATTENDANCE SLIP

(To be presented at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company on Monday, 17th September, 2018 at 11.00 AM at Jubilee Hills International Center, Road No. 14, Jubilee Hills, Hyderabad-500 033.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
LF No.	DP ID	CLIENT ID	
Name & Address of the Member/Joint Members(s) (IN BLOCK CAPITALS):			

SIGNATURE OF THE MEMBER/ JOINT MEMBER(S)/PROXY



TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

Registered Office: #8-2-293/82/A/1107, Plot No: 1107, Road No: 55, Jubilee Hills, Hyderabad-500033
Tel.Nos.040-23547447

Email: info@terasoftware.in Website: www.terasoftware.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s):.....	Email ID:
Registered Address:	Folio No./ *Client ID:..... *DP ID:.....

I/We, being the member(s) of _____ shares of Tera Software Limited, hereby appoint:

1) Name :

Address :

E-mail ID:

Signature: or failing him.....

1) Name :
 Address :
 E-mail ID:
 Signature: or failing him.....

1) Name :
 Address :
 E-mail ID:
 Signature: or failing him.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Monday, 17th September, 2018 at 11.00 A.M. at Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad-500033, or at any adjournment thereof in respect of such resolution as are indicated below:

Sl. No	Resolutions	Vote	
		For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2018 together with the Statement of Profit & Loss and Cash Flow statement for the financial year ended on that date and the reports of the Board of Directors ("the Board") and the Auditors thereon		
2.	To appoint a Director in place of Sri Tummala Bapaiah Chowdary, (DIN: 00107795), who retires by rotation and being eligible, offers himself for re-appointment.		

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

Signature of member.....: Signature of proxy holder:.....

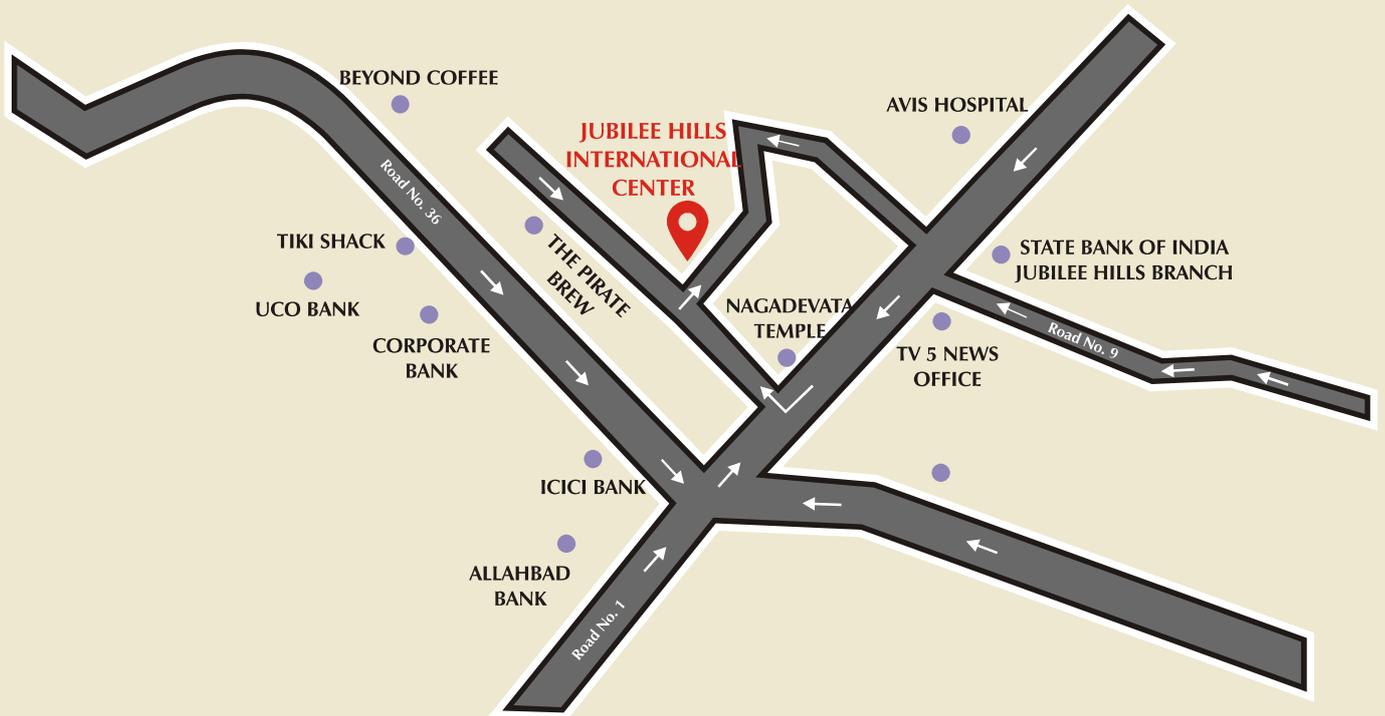
**Affix
Revenue
Stamp**

- Note: 1 The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
 2. A Proxy need not be a member of the Company.
 * Applicable for investors holding shares in Electronic Form.

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LOCATION ROUTE MAP



Jubilee Hills International Centre,
Road No. 14, Jubilee Hills, Hyderabad-500033,



TERA SOFTWARE LIMITED

8-2-293/82/A/1107, Plot No: 1107, Road No: 55, Jubilee Hills,
Hyderabad-500033 Tel. No: 040-23547447,

Email: info@terasoftware.in **Website:** www.terasoftware.com