

**TERA SOFTWARE LIMITED**

#8-2-293/82/A/1107,  
Plot No. 1107, Road No. 55,  
Jubilee Hills, Hyderabad-500 033  
Telangana INDIA

7th July, 2021

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400001	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Banda Kurla Complex, Bandra (F) Mumbai-400051
Scrip Code: 533982	Symbol: TERASOFT

Dear Sir/Madam,

Sub: Annual Report 2020-21 includes Notice of 27th Annual General Meeting (AGM).

This is in furtherance to our letter dated 10th June, 2021, that the 27th Annual General Meeting (AGM) of members of Tera Software Limited is scheduled to be held on Friday, 30th July, 2021 at 11:00 A.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made there under, read with General Circulars dated 13th January, 2021, 5th May, 2020, 13th April, 2020 and 8th April, 2020 issued by the Ministry of Corporate Affairs (collectively known as 'MCA Circulars') and Circulars dated 12th May, 2020 and 15th January, 2021 issued by the Securities and Exchange Board of India ('SEBI Circulars') without physical presence of Members at a common venue. Members can attend and participate in the AGM through the VC/OA VM facility only, the details of which will be provided by the Company in the Notice of the Meeting. Members attending the meeting through VC/OA VM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 amended from time to time, please find attached herewith a copy of Annual Report for the Financial Year 2020-21 including notice of the AGM, for your information and records.

This is for your information and records.

Thanking You,  
Yours faithfully,

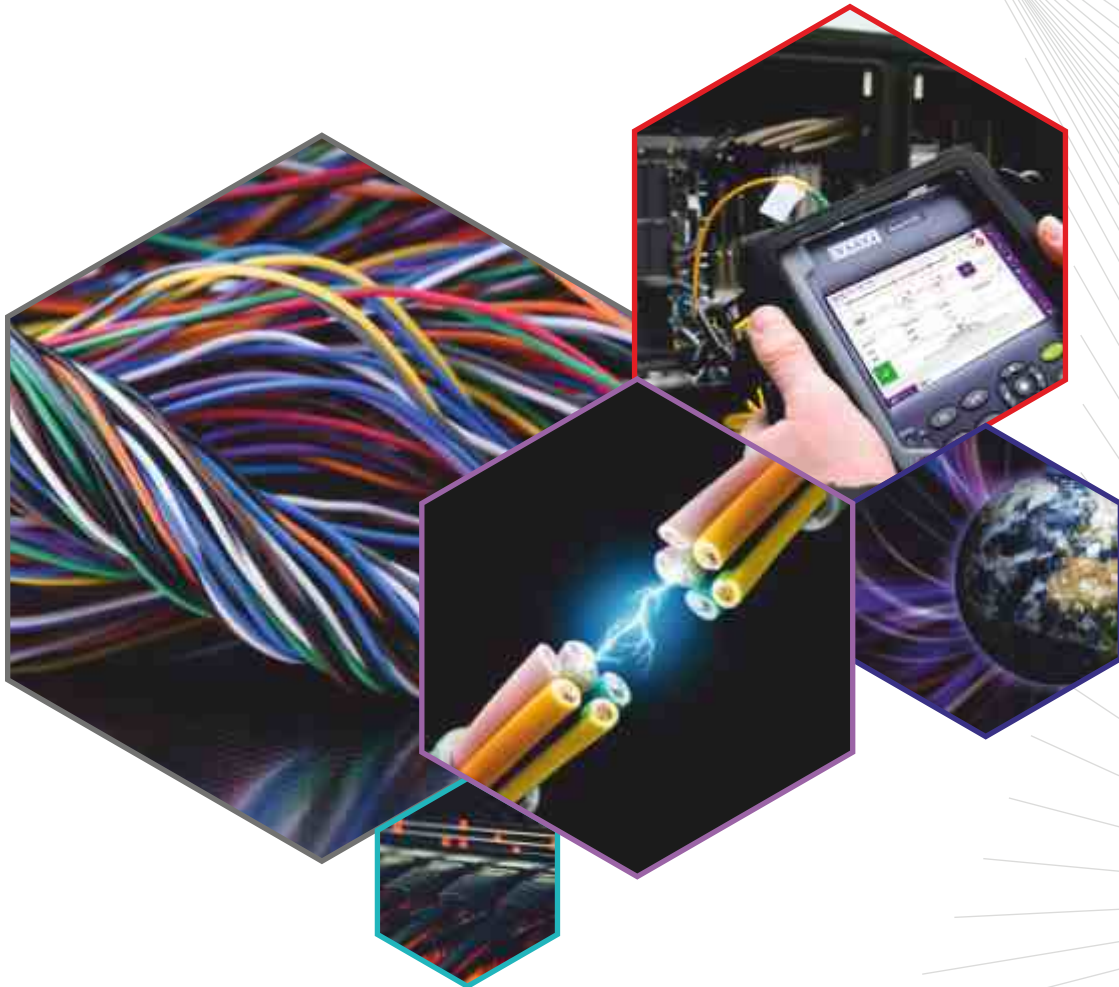
**For TERA SOFTWARE LIMITED**

**CH. MALLIKARJUNA**  
**Company Secretary & Compliance Officer**

**CIN: L72200TG1994PLC018391**

# TERA SOFTWARE LIMITED

ANNUAL REPORT  
2020-21



# INDEX



TERA SOFT  
*Redefining IT Solutions*

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**Sri Koteswara Rao SSR**  
Chairman



**Sri T. Gopichand**  
Vice-Chairman & Managing Director



**Dr T. Hanuman Chowdary**  
Director



**Dr. T.V. Lakshmi**  
Director



**Sri. Divakar Atluri**  
Director



**Sri. T. Bapaiah Chowdary**  
Director



**Smt. T. Pavana Devi**  
Director



# Board of Directors





## BOARD AND COMMITTEES

### 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

**Dr. T.V. Lakshmi**

Independent Director

**Sri. Divakar Atluri**

Independent Director

**Sri. T. Bapaiah Chowdary**

Non-Executive Director

**Smt T. Pavana Devi**

Non-Executive Director

### Executive Officers (KMP)

**Sri. O. Babu Reddy**

Chief Financial Officer

**Sri. Ch. Mallikarjuna**

Company Secretary

### BOARD COMMITTEES

#### Audit Committee

**Sri. Divakar Atluri**

Chairman

**Dr. T. Hanuman Chowdary**

**Sri. Koteswara Rao SSR**

**Sri. T. Bapaiah Chowdary**

#### Nomination & Remuneration Committee

**Dr. T. Hanuman Chowdary**

Chairman

**Dr. T.V. Lakshmi**

**Sri. T. Bapaiah Chowdary**

#### Stakeholders Relationship Committee

**Sri. T. Bapaiah Chowdary**

Chairman

**Dr. T.V. Lakshmi**

**Smt. T. Pavana Devi**

#### Corporate Social Responsibility Committee

**Dr. T. Hanuman Chowdary**

Chairman

**Sri. Divakar Atluri**

**Sri. T. Gopichand**

**Smt. T. Pavana Devi**



## CORPORATE INFORMATION

### TERA SOFTWARE LIMITED

CIN : L72200TG1994PLC018391

#### 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  
Sultan Bazaar  
Hyderabad-500001

Canara Bank  
Large Corporate Branch  
TSR Complex, S P Road  
Secunderabad-500003

#### Company Secretary & Compliance Officer

Sri. Ch. Mallikarjuna  
#8-2-293/82/A/1107, Plot No: 1107  
Road No: 55, Jubilee Hills, Hyderabad-33  
Tel: +91-40-23547447  
Email: [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in)  
Website: [www.terasoftware.com](http://www.terasoftware.com)

#### Registrar & Transfer Agents

KFin Technologies Private Limited  
Selenium Tower B, Plot 31 & 32  
Gachibowli, Financial District  
Nanakramguda, Serilingampally Mandal  
Hyderabad - 500032, Telangana  
Contact Person: Mohammed Shanoor  
Officer-Corporate Registry  
Toll free Number: 1-800-309-4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com) and /or <https://ris.kfintech.com>

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh (27th) Annual General Meeting of the members of Tera Software Limited will be held on Friday, 30th July, 2021 at 11:00 AM through Video Conferencing/Other Audio Visual Means (VC/OAVM) from the registered office of the Company located at MCH No-8-2-293/82/a/1107, Road No-55, Plot No-1107, Jubilee Hills, Hyderabad-500033 (Deemed Venue), Telangana, India to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Report of Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mrs. Tummala Pavana Devi, Director (DIN: 00107698), who retires by rotation and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** Mrs. Tummala Pavana Devi, Director (DIN: 00107698), who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company and that her period of office be liable to retire by rotation."

### SPECIAL BUSINESS:

3. **To approve the appointment of Mr. Divakar Atluri as an Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Divakar Atluri (DIN: 00033386) who was appointed as an Additional Director of the Company w.e.f. 12th February, 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds

office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of five (5) consecutive years commencing from 12th February, 2021 upto 11th February, 2026.

**"RESOLVED FURTHER THAT** Mr. Tummala Gopichand, Vice Chairman & Managing Director of the Company be and is hereby authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard."

**"RESOLVED FURTHER THAT** any one of the Director for the time being and Company Secretary be and are hereby severally authorised to sign the certified true copy of the resolution of the resolution to be given as and when required."

4. **To re-appoint Mr. Tummala Gopichand as a Vice Chairman and Managing Director (KMP).**

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

**"RESOLVED THAT** pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any

statutory modification or reenactment(s) thereof for the time being in force), the approval of the members/ shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Mr. Tummala Gopichand (DIN: 00107795) as a Vice Chairman and Managing Director (Key Managerial Personnel) of the Company, for a period of five years from 1st September, 2021 to 31 August, 2026 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on 10th June, 2021, on the existing terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Mr. Tummala Gopichand, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Tummala Gopichand, Vice Chairman and Managing Director during the tenure of his appointment with authority to the Board or a Committee thereof to fix his salary within such maximum amount, with effect from 1st September, 2021 upto 3 years, in case of Company having no profit or inadequate profit in any financial year, pursuant to the provisions of Schedule V and other applicable provisions, if any, of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized severally to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**5. To appoint Mr. Tammana Sivarama Prasad as an Independent Director.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with

Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Tammana Sivarama Prasad (DIN: 06405913), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Tammana Sivarama Prasad's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th July, 2021 upto 29th June, 2026."

**"RESOLVED FURTHER THAT** Mr. Tummala Gopichand, Vice Chairman & Managing Director of the Company be and is hereby authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard."

**"RESOLVED FURTHER THAT** any one of the Director for the time being and Company Secretary be and are hereby severally authorised to sign the certified true copy of the resolution of the resolution to be given as and when required."

**6. To Sell Company's Land Situated at Annaram/ Gaghillapur Village:**

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

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), and the enabling

provisions in the Memorandum of Association and Article of Association of the Company, approval and consent of the members of the company be and is hereby accorded to the Board of Directors to sell and transfer the fixed asset including open land & ACC Shed of the Company situated in Survey Nos.179, 180, 180A, 181, 182, 184 & 184A, Annaram Village, Jinnaram Mandal, (Now it is Gummadidala Mandal), Medak District (Now it is Sangareddy District) & Survey Nos.219E, Gaghilapur Village, Qutubullapur Mandal (Now it is Dundigal Gandimaisamma Mandal & Municipality), Ranga Reddy District, (Now it is Medchal-Malkajgiri District), Telangana, extent of Ac. 13.31 Guntas, to any party at prevailing market price, on such terms and conditions as may be deemed fit by the Board."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of such sale and to finalize, execute, to enter in to the agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable."

**By Order of the Board of Directors**  
**Sd/-**

**Tummala Gopichand**

Place: **Hyderabad Vice Chairman and Managing Director**

Date: **10-06-2021**

**DIN: 00107886**

#### Notes:

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021 read along with the SEBI circular SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 ('said Circulars'), inter alia, whereby physical attendance of the members to the AGM venue shall not be required.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. 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 registered their e-mail IDs with the Company / their respective Depository Participants along with softcopy of the Notice.
3. In accordance with the provisions of Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014 read with the said Circulars, the Annual Report of the Company is being sent through email only to the members whose email address are registered with the Company/ Depositories, as the case may be. Member(s) however, are entitled to receive Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2020-2021 together with the Notice of 27th Annual General Meeting is also available on the website of the Company at [www.terasoftware.com](http://www.terasoftware.com).
4. In accordance with the aforesaid Circulars, physical copy of the notice of the AGM and the annual report for the financial year 2020-21 will not be sent to members who have not registered their e-mail addresses with the company/depository participants.



Further, Members who have not registered their e-mail address with the Company are requested to register the same by sending an email to M/s. Kfin Technologies Private Limited, Hyderabad-500032.

5. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. ("the Act").
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [terasoftware.com](http://terasoftware.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM free of cost. Members seeking to inspect such documents can send an email to [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in).
10. 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 appointment and re-appointment are also annexed.
11. 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.
12. The Register of Members and Share Transfer Books will remain closed from Friday, 23rd July, 2021 to Thursday, 29th July, 2021 (both days inclusive).
13. 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 advise any change of address and/or bank mandate immediately to M/s. KFin Technologies Private Limited, Hyderabad-500032.
14. 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 a certified copy of their PAN Card to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit certified copy of their PAN to M/s. Kfin Technologies Private Limited, Hyderabad-500032.
15. The Securities and Exchange Board of India (SEBI) vide their 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 security/es 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.

16. 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.
17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
18. Members wishing to claim dividends, which remain unclaimed from the financial year 2013-14, are requested to correspond with Mr. Ch. Mallikarjuna, 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.
19. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS

UNDER:

- (i) The voting period begins on 27th July, 2021 at 9.00 AM and ends on 29th July, 2021 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first time user follow the steps given below:

For shareholders holding shares in Demat Form other than Individual and Physical Form	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	✓ Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	✓ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the **EVS**N for **<Tera Software Limited>** on which you choose to vote.
- (x) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xi) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
- (xiii) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.

(xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz ; [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xvii) **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING ARE AS UNDER:**

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



Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

20. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
21. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No.3: To approve the appointment of Mr. Divakar Atluri as an Independent Director

Mr. Divakar Atluri (DIN: 00033386), aged 64 years, was appointed as an Additional Director (Non-Executive & Independent) at the Board Meeting held on 12th February, 2021, based on the recommendation of Nomination and Remuneration Committee. Pursuant to Section 161 of the Act Mr. Divakar Atluri holds office as Director up to the date of the ensuing AGM and is eligible for appointment as a Director. Notice in writing under Section 160 of the Act has been received from a Member indicating its intention to propose Mr. Divakar Atluri for the office of the Director of the Company at the ensuing AGM.

The Company has received from Mr. Divakar Atluri (i) consent in writing to act as director in Form DIR 2 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, (iii) a declaration to the effect that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, and (iv) a declaration to the effect that he meets the criteria of independence and he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence as prescribed under the Act and the Listing Regulations and other related documents.

In the opinion of the Board, Mr. Divakar Atluri fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as Non- Executive Independent Director for first term of 5 (five) consecutive years commencing from 12th February, 2021 up to 11th February, 2026.

Details as stipulated in Regulations 26(4) and 36 (3) of the Listing Regulations and as per Secretarial Standards – 2 on General Meetings is annexed and forms part of this AGM Notice.

Mr. Divakar Atluri and his relatives do not hold any shares in the Company and is not related with other Directors, Manager and other Key Managerial Personnel of the

Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Divakar Atluri are concerned or interested, financial or otherwise, in the Resolution set out at an Item No.3.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the Members of the Company.

### Item No.4: To re-appoint Mr. Tummala Gopichand as a Vice Chairman and Managing Director (KMP).

The members at their Annual General Meeting held on 30th September, 2016 approved the appointment and remuneration of the Vice Chairman & Managing Director for a period of five years w.e.f. 01st September, 2016 and his term is to be completed on 31st August, 2021.

The Nomination and Remuneration Committee on 10th June, 2021 considered the re-appointment and remuneration of Mr. Tummala Gopichand, Vice Chairman & Managing Director as his term is expiring on 31st August, 2021 and the Board of Directors at their meeting held on 10th June, 2021 approved the re-appointment for a period of five years and remuneration with effect from 01st September, 2021, subject to the approval of members.

The information in respect of terms of Remuneration & Perquisites is given below:

- i. Basic Salary: At the rate not exceeding Rs. 7,00,000/- per month
- ii. Perquisites:
  - a. Contributions to Provident Fund, Super Annuation fund as per the rules of the company.
  - b. Gratuity payable shall not exceed half month's salary for each completed year of service.
  - c. Reimbursement of actual travelling and entertainment expenses incurred on behalf of the company
  - d. Free use of Company's car with driver for official purposes only
  - e. Free communication facilities like Telephones/ Mobiles/Fax at residence

Such other perquisites and allowances in accordance with the rules of the company or as may be agreed between the Board of Directors and Mr T.Gopichand.

The Board recommends the resolution at item No.4 of the Notice for approval of the shareholders by an ordinary resolution.

None of the directors are interested in the resolution as set out in the Item No.4 of the Notice except Mr. Tummala Gopichand, Vice Chairman & Managing Director being interested party, Mrs. Tummala Pavana Devi and Mr. Tummala Bapaiah Chowdary are interested, being relatives of Mr. Tummala Gopichand.

The detailed information as required by Schedule V, Part II, Section II (A) of the Companies Act, 2013, is furnished hereunder for the information of the members in due compliance of the provisions of the said schedule.

I GENERAL INFORMATION		
1	Nature of Industry	The Company operates in the areas of IT, ITES and various e-governance projects of Public Sector Undertakings, State Governments and Central Government of India. Your company implements the projects as System Integrator/PPP model (BOOT, BOO, BOMT)
2	Date or expected date of commencement of commercial production	The Company has commenced its commercial activities w.e.f. 26.09.1994.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4	Financial performance based on given indicators	<b>As per Audited Financial Results F.Y.2020-21</b>
		Particulars Rs.in lakhs
		Revenue 16393.54
		Profit before Tax 152.72
		Profit After Tax 84.30
5	Foreign investments or collaborators, if any.	The Company is a listed entity and around 1.60% of equity is held by NRIs.
II INFORMATION ABOUT THE APPOINTEE:		
1	Background details	Mr. Tummala Gopichand - M.Tech in Electronics & Communication with 34+ years of experience in the IT industry. Worked with Electronic Corporation of India Limited for a period of 13 years. In ECIL, he was involved in the technical support of Main Frame Computers and participated in various projects like Power Plants Simulators at Rourkela, Demand Drafts Conciliation at State Bank of India, Delhi Electric Supply Undertaking. He had also extensively worked on Steel, Oil and Electricity projects. His leadership made this company as one of the pioneer in e-Governance projects and fast growing with domestic focus.
2	Past remuneration	Salary Rs.7,00,000/- per month
3	Recognition or awards	Nil
4	Job profile and his suitability	Vice-Chairman & Managing Director and varied experience in the IT industry & related areas.

5	Remuneration proposed	Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate remuneration as specified in Schedule – V, Part-II, Section-II, Para-A of the Companies Act, 2013 or more with the approval of the Shareholders by passing a special resolution at the forthcoming general meeting.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration proposed is similar to the remuneration being drawn by persons with similar background in the IT. industry & related areas.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Tummala Gopichand holds 11,96,554 shares directly in the Company and 47,51,773 shares through his family and others aggregating to 47.54 % and he is relative to Mr. T. Bapaiah Chowdary, Mrs. T. Pavana Devi, Promoters/Directors of the Company and Mr. T. Madhu Mitra, employee of the Company.
<b>III OTHER INFORMATION</b>		
1	Reasons for loss or inadequate profits	To deliver the services of enrolment under the national prestigious projects NPR (National Population Register) and UIDAI project, the Company has built a huge IT infrastructure. Due to the huge capital employed for future business, there were increases in financial costs, depreciation and coverage of service tax to the projects resulted in lesser net profits.
2	Steps taken or proposed to be taken for improvement	Realisation of values to the extent of works executed by Tera Software will result in improvement of profit margins over a period of time.
3	Expected increase in productivity and profits in measurable terms	Same As above.

**Item No.5: To appoint Mr. Tammana Sivarama Prasad as an Independent Director**

Mr. Tammana Sivarama Prasad (DIN: 06405913), aged 65 years, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Tammana Sivarama Prasad's candidature for the office of Director, based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company at their Board Meeting held on 10th June, 2021, proposed to appoint Mr. Tammana Sivarama Prasad

as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 30th July, 2021 upto 29th June, 2026.” The Company has received from Mr. Tammana Sivarama Prasad (i) consent in writing to act as director in Form DIR 2 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, (iii) a declaration to the effect that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, and (iv) a declaration to the effect that he meets the criteria of independence and he is not aware of any circumstance or situation, which exist or may be

reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence as prescribed under the Act and the Listing Regulations and other related documents.

In the opinion of the Board, Mr. Tammana Sivarama Prasad fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends his appointment as Non- Executive Independent Director.

Details as stipulated in Regulations 26(4) and 36 (3) of the Listing Regulations and as per Secretarial Standards – 2 on General Meetings is annexed and forms part of this AGM Notice.

Mr. Tammana Sivarama Prasad and his relatives do not hold any shares in the Company and is not related with any other Directors, Manager and other Key Managerial Personnel of the Company.

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Tammana Sivarama Prasad are concerned or interested, financial or otherwise, in the Resolution set out at an Item No.5.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members of the Company.

#### **Item No.6: To Sell Company's Land Situated at Annaram/Gaghillapur Village:**

The Management/Board is proposing to sell the above stated property which is leased out and not using for the purpose of the company's core activities and further the yield is less than the present bank interest paid by the company on its working capital limits. It is brought to notice of the shareholders that the price of the property has substantially increased. Upon selling this property not only it will help to repay the loans taken from Banks by pledging the same and also the surplus will be useful and augment the liquidity of the company for its smooth running of the core business.

Pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the Fixed assets including land and ACC Shed, situated in Survey Nos.179, 180, 180A, 181, 182, 184 & 184A, Annaram Village, Jinnaram Mandal, (Now it is Gummadidala Mandal), Medak District (Now it is Sangareddy District) & Survey Nos.219E, Gaghillapur Village, Qutubullapur Mandal (Now it is Dundigal Gandimaisamma Mandal & Municipality), Ranga Reddy District, (Now it is Medchal-Malkajgiri District), Telangana, extent of Ac. 13.31 Guntas, (Total land Ac.15.18.99 Gts - Sold out Area Ac.1-27 Gts 53 Sq.Yds).

The above resolution is recommended for your approval for passing this resolution at this ensuring Annual General Meeting. The Board recommended the special resolution set out at Item No.6 of the Notice for your approval. None of the Director is interested in said resolution.

#### **BRIEF PROFILE OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.**

Particulars	Item No. 2	Item No.3	Item No.4	Item No.5
Name of the Director	Mrs. Tummala Pavana Devi	Mr. Divakar Atluri	Mr. Tummala Gopichand	Mr. Tammana Sivarama Prasad
Director Identification Number (DIN)	00107698	00033386	00107886	06405913
Date of Birth	22-06-1962	28-05-1957	09-06-1959	08-07-1956
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	06-06-1995	12-02-2021	26-09-1994	NA



Particulars	Item No. 2	Item No.3	Item No.4	Item No.5
Qualification	B.Com.	B.Com., FCA	M.Tech	B. Tech.,
Nature of Expertise in specific Functional Areas	More than 22 years of extensive experience in Management	More than 37 years of experience in Practicing as a Chartered Accountant.	More than 34 years of experience in IT industry.	More than 42 years of experience in Banking and Financial Sector.
Terms and conditions of appointment/re-appointment	Non-Executive Director liable to retire by rotation	Independent Director not liable to retire by rotation	09-06-1959 Executive Director and KMP not liable to retire by rotation	Independent Director not liable to retire by rotation
Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company	Relative of Mr T.Gopichand (VCMD) and Mr T.Bapaiah Chowdary (NED)	Nil	Relative of Mrs T. Pavana Devi (NED) and Mr T.Bapaiah Chowdary (NED)	Nil
Names of other Listed Companies in which the person holds the Directorship	Nil	Nil	Nil	Nil
Number of memberships in Audit/ Stakeholder Committee(s) including this Listed entity	One	One	Nil	Nil
Details of Shares held in the Company	574760 (4.59%)	Nil	1196554 (9.56%)	Nil

**By Order of the Board of Directors**  
**Sd/-**

**Tummala Gopichand**  
**Vice Chairman and Managing Director**  
**DIN: 00107886**

Place: Hyderabad  
Date : 10th June, 2021

## DIRECTORS' REPORT

Dear Shareholders,

*The Directors present the 27th Annual Report on the business and operations of the Company and audited Financial Results for the year ended 31st March, 2021.*

### Financial Highlights:

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2021	Year Ended 31.03.2020
Gross Income	16393.54	27198.94
Expenditure	15331.08	25204.45
Profit before Finance Cost, Depreciation & Tax	1062.46	1994.49
Less: Finance Cost	849.28	927.38
Depreciation	60.46	80.60
Profit Before Tax (PBT)	152.72	986.51
Less: Provision for Current tax	116.83	352.91
Tax Expense relating to earlier years	---	---
Deferred tax	(48.41)	(18.88)
<b>Profit for the year (PAT)</b>	<b>84.30</b>	<b>652.48</b>

### 1. COMPANY'S PERFORMANCE

The Company has achieved a turnover of Rs.16393.54 lakhs for the year ended 31st March, 2021 as against Rs.27198.94 lakhs in F.Y. 2019-20. The company has registered a net profit of Rs.84.30 lakhs as compares to previous year's net profit of Rs.652.48 lakhs.

### 2. MATERIAL CHANGES & COMMITMENTS

#### Impact of COVID-19 pandemic on the Company

The phased out lockdowns were imposed to contain the spread of COVID-19 during the FY, the business was completely inactive for four months and all the workforce migrated due to the pandemic. Even after the lockdown, the onsite workforce shortage created a pause into the business. However, the spread of COVID-19 is posing a slow execution of orders, we are hopeful that the business performance will gain momentum with the ease of lockdown, transportation and the availability of the manpower resources which will be recouped when the Pandemic is eradicated after the envisaged third wave.

#### Ability to maintain operations including the factories/units/office spaces functioning and closed down

After the ease of lockdown, the head office of the company resumed its functions. However, the field operations faced problems due to unavailability of resources in full force. All safety guidelines issued by the Ministry of Health affairs and respective state governments have been followed strictly. The staff have been provided facility to work from home, minimizing the working hours to reduce the head count to the extent possible.

#### Steps taken to ensure smooth functioning of operations

The management has been prompt and attentive towards the difficulties faced by the business and several steps have been taken to keep the operations up and running. The following steps were taken in this regard:

- Employees engaged in critical fields were given opportunity to work from home during lockdown, to provide uninterrupted support to our customers.

- HR team was constantly in touch with all the employees to create an awareness amongst employees on COVID-19 and need for safety practices such as sanitization, social distancing and personal hygiene.
- Flexibility in time and work location were provided to both internal and external staff to keep the operations in line with the stipulated timeframe.
- Sanitization protocol, thermal screening, social distancing, wearing of masks, Arogya Setu App, adequate supply of materials, consumables, power, fuel, transportation etc. were ensured after the ease of lockdown during workplaces.
- Adequate Internal control and prompt solutions to the problems were provided to speed up the work.

#### **Impact of COVID-19 on Capital, Financial Resources and liquidity**

The Company has no plan to increase its capital. Although we are in process of enhancing our working capital limits to meet the current liabilities. Due to COVID-19, the liquid position of the company was affected. The discussion with the banks to pump new funds were not encouraging. We expect that the company will recover soon with the restart of its operations and generation of revenue in the forthcoming quarter.

#### **Impact on Operations and Profitability**

Operations were effected due to COVID-19, which will come to a normal pace in the near future. The profitability is effected, result of reduction in turnover with fixed operations cost and financial cost overheads. The working Capital cycle periods were also stretched due to non-functionaries of the customer officers and the supply chain of material was effected due to the OEM Vendors business were came to halt.

Ability to service debts and other financial arrangements

The Company is trying its best to upkeep its financial arrangements to serve its debts. Although there has been a delay and deferment, the company is confident that it will improve its position in the near future on completion of existing work orders which were delayed by almost one year due to pandemic.

#### **Assets**

The Company has adequate Fixed and Current Assets and there has been no impact on the Assets due to pandemic. The Company considers its dedicated employees as the real asset, which we believe to retain and nurture.

#### **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

There was an impact on the contracts and agreements with M/s APSFL, who is a State Implementing Agency of Bharat Net-Phase 2 in the state of Andhra Pradesh has short closed the project with an intension to Change the OFC Laying Methodology to Under-ground. And there was also an Operations and Maintenance Contract with the same organization was closed after 21 months of execution (total contract period was 60 months).

### **3. DIVIDEND**

Your Directors have not recommended the payment of dividend for the F.Y. 2020-21. The management has taken this decision to conserve resources for the investment in the ongoing working capital margin and new projects and also to improve long term shareholder value by retaining earnings for growth and business expansion.

### **4. TRANSFER TO RESERVES**

During the current financial year, there are no funds that are required to be transferred to Reserves.

### **5. FIXED DEPOSITS**

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public.

### **6. SHARE CAPITAL**

The Company's paid-up equity share capital continues to stand at Rs.1251.19 lakhs as on 31st March, 2021. During the year under review, the Company has not issued any shares or convertible securities.

### **7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report as stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as "**Annexure – A**" and forms part of Annual Report.

## 8. CORPORATE GOVERNANCE

As in the past, your Company continues to follow best of Corporate Governance policies. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (LODR) Regulations, 2015 is annexed as “Annexure – B” and forms part of the annual report. The Auditors' Certificate regarding compliance of conditions of corporate governance is enclosed. A Certificate from the Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance is also enclosed with this report.

## 9. AUDIT COMMITTEE

The Company has in place an Audit Committee in terms of requirements of the Act read with rules framed thereunder and Listing Regulations. The details relating to the Audit Committee are given in the Corporate Governance Report forming part of this report. During the year under review, all recommendations made by the Audit Committee were accepted by the Board.

## 10. BOARD MEETING

During the year under review Seven meetings of the Board of Directors were held. The details of the attendance of Directors at the Board Meetings are mentioned in the Corporate Governance Report annexed hereto.

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Companies Secretaries of India (SS1 and SS2), respectively relating to Meetings of the Board and its Committees, and the Shareholders, which have mandatory applicable during the year under review.

## 11. DIRECTORS & KEY MANAGERIAL PERSONNEL

On the recommendation of Nomination and Remuneration Committee (NRC), Mr. Divakar Atluri (DIN: 00033386), has been appointed an additional director (Non-Executive & Independent) by the board of directors of the Company with effect from 12th February, 2021 to hold office up to the date of ensuing Annual General Meeting ('AGM'). Further, the NRC and Board of Directors of the Company recommended the appointment of Mr. Divakar Atluri as Director (Non-Executive & Independent), to the Members at the ensuing AGM, not liable to retire by rotation.

Mrs. Tummala Pavana Devi (DIN: 00107698), who retires by rotation and being eligible, offers herself for re-appointment. Board recommends her re-appointment to the members of the Company at the ensuing AGM.

Mr. Tummala Gopichand (DIN:00107886), Vice Chairman & Managing Director term is completing on 31st August, 2021. Further, the NRC and Board of Directors of the Company recommended the re-appointment of Mr. Tummala Gopichand as Vice Chairman & Managing Director (KMP), to the Members at the ensuing AGM.

On the recommendation of Nomination and Remuneration Committee (NRC) and the Board at their meetings held on 10th June, 2021 recommends the appointment of Mr. Tammana Sivarama Prasad (DIN: 06405913) as an Independent Director, to the members of the Company at the ensuing AGM.

Mrs. Shabnam Siddiqui, Company Secretary, has resigned with effect from 15th September, 2020 and the Board has placed on record its warm appreciation of the contribution made by her during her tenure as Company Secretary of the Company.

Mr. Ch. Mallikarjuna has been appointed as Company Secretary & Compliance Officer (KMP) with effect from 12th February, 2021.

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act.

## 12. DECLARATION BY INDEPENDENT DIRECTORS

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

## 13. PERFORMANCE EVALUATION

Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Nomination & Remuneration Policy of the company envisages criteria for evaluation of performance of independent directors and the board of directors. Accordingly, a

separate exercise was carried out to evaluate the performance of individual Directors including the Board & Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and independent judgment, experience, competencies etc. 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. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Director was evaluated.

#### **14. NOMINATION & REMUNERATION POLICY**

The Company has adopted a Nomination & Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management, pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. Details of the Remuneration Policy are given in the Corporate Governance Report.

#### **15. AUDITORS & AUDITORS REPORT**

##### **i. STATUTORY AUDITORS**

M/s. Mullapudi & Co., Chartered Accountants, (Firm Reg no: 006707S) Hyderabad, had been appointed as Statutory Auditors of the Company on 23rd September, 2017 for a period of five years i.e. to hold office until the conclusion of 28th Annual General Meeting to be held in the year 2022.

##### **ii. SECRETARIAL AUDITORS**

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 2020-21 in Form No.MR-3 and Annual Secretarial Compliance Report is annexed herewith as “**Annexure-C**” to this Report and The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

#### **16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

The Company has not made any loan, given guarantee or provided security or made investments pursuant to the provisions of Section 186 of Companies Act, 2013.

#### **17. 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 technological excellence 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: NIL

#### **18. 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 : Mr. T. Gopichand

Designation : Vice Chairman & Managing Director

Ratio to Median Remuneration : 72.48

- b. The percentage increase in remuneration in each Director, Chief Financial Officer, Company Secretary in the financial year: 71.26% increased in remuneration of CFO.

- 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, 2021: 610

e. **Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2020-21 was 4.13%. Justification: Increase in remuneration is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. The remuneration of Non-Executive Directors consists of sitting fees only.

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

The company affirms that the remuneration is as per its remuneration policy

The CSR Committee details are mentioned in the Corporate Governance Report. A budget of Rs. 12,08,715/- (Rupees Twelve Lakhs Eight thousand Seventy hundred and fifteen only) approved for the Financial Year 2019-20.

The management not spent the CSR amount before 31st March, 2021. The management transferred the CSR Fund of total Rs.40,38,302/- (including balance of previous year amounts) to a separate Bank account opened as "Unspent Corporate Social Responsibility Account" with Bank of Maharashtra, Sultan bazar Branch as per new amendments of CSR Rules. This amount shall be spent with in stipulated time in accordance with this CSR Policy and the specified activities under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendment(s) thereof, if any for the ongoing projects which were identified by the Board as recommended/approved by CSR Committee as mentioned below and Disclosures as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as "**Annexure - D**" to this report.:

## 19. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) Policy and CSR Committee formed pursuant to section 135 of Companies Act, 2013 and Rules made there under.

Sl. No	CSR project or activity identified	CSR project or activity identified	Projects or (1) Local area or other (2) specify the State and district where the project or programme was undertaken	Amount outlay (budget) project or program wise (Rs.)	Amount spent on the project or program  Subheads: (1) Direct Expenditure on projects (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent directly or through implementation agency
1.	Contribution for construction of Convention Hall for Siddaganga Institute of Technology (SIT) Campus	Promotion of Education Development Project	SIT Campus, B.H. Road, Tumakuru - PIN: 572103, Karnataka	25,00,000	---	---	Direct
2.	Drainage and Sewage works at Gagillapur village, Ameenpur, Hyderabad.	Rural development projects	Gagillapur Village, Ameenpur, Hyderabad	15,40,000 (around)	---	---	Direct

## 20. HUMAN RESOURCES

Your company recognizes human capital as the most important element to drive its progress. Hence, your Company has devised initiatives that enable training and development of employees across levels and enables their professional and personal growth.

Your Company's human resources management framework is aligned to the business goals and drives key decisions on business processes and introduction of new technology. The HR interventions of the Company focuses on skilling the existing workforce and empowering them to step beyond their defined roles.

## 21. 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 voluntarily constituted a Risk Management Committee and Risk Management Framework to identify, evaluate, mitigate and monitor the risk management in the Company. The Audit Committee has additional oversight in the area of financial risk and controls.

## 22. 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.

## 23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board of Directors has adopted the Whistle Blower Policy that aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. A mechanism has been established for employees to report their concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also

provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Managing Director in exceptional cases. 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 2020-21.

## 24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No material orders have been passed by the Regulators or Courts or Tribunals against the Company which would impact the going concern status of the Company and its future operations.

## 25. 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.

## 26. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return, in form MGT 9 for the financial year 2020-21 is enclosed with this Report as "Annexure – E"

## 27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is prescribed in form AOC-2 and is appended as "Annexure – F" 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 may have a potential conflict with the interest of the Company at large.

All Related Party Transactions have been placed before the Audit Committee for their approval and to the Board, as and when required. In all cases prior omnibus approval of the Audit Committee is obtained on a yearly basis. The transactions entered into pursuant to the omnibus approval so granted 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.

## 28. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company always believes and endeavors to provide safe and healthy environment, which is free

from discrimination and harassment including sexual harassment. The Company has an Internal Complaints Committee which operate under a defined redressal system. 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.

## 29. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

In accordance with the Listing Regulations, a certificate has been received from M/s C.V.Reddy K & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as "Annexure - G".

## 30. COMPLIANCE CERTIFICATE SIGNED BY CEO & CFO

Compliance Certificate signed by CEO & CFO for the financial year ended 31st March, 2021 under Regulation 17(8) as specified in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as "Annexure - H".

## 31. DECLARATION BY CEO ON CODE OF CONDUCT OF DIRECTORS & SENIOR MANAGEMENT

Declaration by the Vice Chairman and Managing Director in accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirm that all the Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2021, is annexed herewith as "Annexure-I".

## 32. COMPLIANCE CERTIFICATE BY AUDITORS ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Compliance Certificate by Auditors on Compliance of conditions of Corporate Governance as per Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the year ended 31st March, 2021, is annexed herewith as "Annexure - J".

## 33. 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, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- 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 such period;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis; and
- The Company had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGMENT

Your Directors place on record their gratitude to the Central, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. The Directors would also like to thank the Shareholders, Customers, Employees, dealers, suppliers and all other stakeholders for their continued support and confidence in the Company's management.

For and on behalf of the Board of Directors

Sd/-

T. Pavana Devi

Director

DIN: 00107698

Sd/-

T. Gopichand

Vice-Chairman & Managing Director

DIN: 00107886

Place: Hyderabad

Date: 10.06.2021

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****GLOBAL ECONOMIC OVERVIEW**

The Financial Year (F.Y.) 2020-21 saw a significant transformation in the global economic order. The year was intense and volatile for the world economy, to say the least. From lockdowns disrupting supply chains to movement-limiting restrictions affecting all businesses, it was a year that tested resilience and persistence. The coronavirus (COVID-19) pandemic spread at an alarming speed, infecting millions and costing many lives worldwide. Governments across the globe imposed series of strict lockdowns to curb the spread of the virus, resulting in one of the most severe economic contraction since the Great Depression. Collectively, these measures led to reduced cross-border travel and accelerated job losses. As a result, gross domestic product (GDP) plunged to record lows across economies.

**INDIAN ECONOMIC OVERVIEW**

The F.Y. year 2020-21 started on a rather weak note for the Indian economy. With the slowest GDP growth rate recorded right at the beginning to entering a technical recession towards the end, the year unfolded quite dramatically. And yet, 2020-21 brought along unprecedented crisis and uncharted opportunities for the Indian economy. The phased out lockdowns, imposed to contain the spread of COVID-19, cratered employment, business, trade, manufacturing, and service activities across sectors. The Reserve Bank of India (RBI) promptly responded and implemented adequate measures like slashing interest rates, announcing fiscal stimulus package and allowing loan moratorium facilities, among others, for the economy's revival.

**OUTLOOK**

The Indian economy is showing decisive and strong signs of recovery riding the confidence post the vaccine roll out, low interest rates, return of consumer confidence and measures attracting investment. With the prospects of robust growth gaining grounds in consumption and investment and a lower base effect, GDP is estimated to grow at 11% in FY 2022 (Source: Economic Survey 2020–21). However, the growth rate is going to be posed due to the second wave of pandemic and has effect on the FY 2021-22. There are key risks emanating from inflation with upward pressure on prices due to rising input cost, oil prices, unemployment and increasing non-performing assets of banks.

**OPPORTUNITIES****Vaccine rollout:**

The Indian economy is expected to perform better on the back of sustained improvement in high frequency indicators and approval of emergency use of two vaccines to counter COVID-19. As a result, the resumption in economic activities and increased mobility are expected to lead towards a path of recovery for all sectors including the IT and non-IT infrastructure sectors in which your Company deals with Digital Projects as E-governance, System Integration, and building infrastructure for Optical Fibre Cable and Broad band services.

**Increase in e-commerce:**

The smartphone boom has globalised the Indian consumers. Purchasing for brands which were earlier limited to metros has now made its way to tier II and tier III cities, both via retail and e-commerce channels. Moreover, the pandemic has accelerated the shift towards a more digital world and instrumented changes in online shopping behaviours.

**THREATS****Prolonged slowdown in the economy**

Despite the vaccination drive and expected spur in the economic activities, businesses will take time to get back to the pre-Covid-19 levels. The IT and non-IT infrastructure industry might see a period of recovery characterised by a lull in spending and slack in demand across channels. This can impact the demand for the Company's capital products and consumable segments.

**FINANCIAL REVIEW**

The Company's revenue drop-off to 16393.54 lakhs in FY 2020-21 as against 27198.94 lakhs in FY 2019-20, under challenging business circumstances due to Covid-19. The Profit before tax also decreased from 986.50 lakhs for FY 2019-20 to 152.72 lakhs for FY 2020-21.

**RISKS AND CONCERNS**

Your company implements the Digital Projects as E-governance, System Integration, and building IT and non-IT infrastructure for Optical Fibre Cable and Broad band services. These operations require physical presence of manpower resources on site for delivery of services and integration of the equipment and upkeep of the same. Due to COVID-19 the business was completely inactive for



many months and all the workforce migrated due to the pandemic and even after the lockdown, the onsite workforce shortage created a pause into the business. However, the spread of COVID-19 is posing a slow execution of orders, we are hopeful that the business performance will gain momentum with the ease of lockdown, transportation and the availability of the manpower resources.

Your Company facing the economic problems that of high costs, diminished traditional revenue streams and reliance on things other than the product itself to make money. These are different challenges than the Manpower, software, infrastructure itself as a set of technical and project management problems like Low budgeted value of projects, Delayed revenue, Less finance availability, Technology Obsolescence, Competition.

The company's management is continuously making efforts to mitigate this risk. The Company has a structured approach for handling risks. The Company has adequate mitigation plans for the risks based on the probability of their occurrence, potential impact and volatility. The emerging risks are discussed periodically with the management to ensure implementation of proper control mechanism.

#### ACCOMPLISHMENTS OF TERA SOFTWARE

- Tera Software is working as System Integrator for implementation of PAN City ICT project in Davanagere City, State of Karnataka from Davanagere Smart City Limited, Government of Karnataka to implement and integrate City Surveillance System, Smart Health Management, Solid Waste Management System, Water supply system, Underground Drainage, Intelligent Traffic Management System, Smart Parking, Intelligent Transport System, City Wi-Fi, Environment Sensors, e-Learning Centres, Smart energy/Roof Top Solar System, Smart Street Lighting and Quality Monitoring System.
- Tera Software is executing the implementation of Bharat Net Project in the state of ODISHA. Bharat net is a Central Government of India Initiative to enrich the Rural India with the Broad Band Services, targeted to extend 2,50,000 Gram panchayats across India.
- Tera Software will be delivering the Maintenance services for Bharat net projects for next 6 Years to upkeep the network for delivery of services.
- Tera Software is more focused in the Broad Band services which is very essential post corona Pandemic to deliver on line services. Tera soft is currently

establishing the connectivity to 16,000 Gram panchayats under the Bharat Net project. And focused to bid for the same services in other parts of the Country under Bharat Net project.

- Tera Software will strive in technology in future days to extend the Fiber to Home services across rural India as it had the expertise and delivered the technology to 10 lakh Households in the state of Andhra Pradesh.
- We are ISO 20000-1:2011, ISO 27001:2013 and ISO 9001:2015 certified Company offering innovative, flexible and affordable software solutions to customers across the globe.
- We strive to create niche and set standards for technology considering the Pandemic across the globe. Pandemic claims to have three waves hence Tera Software has targeted to achieve an annual turnover of 1500 Cr INR in next 5 years. With a shift in the future focus that are:
  - Digital Marketing.
  - FTTH Solutions. (Broad band services)
  - Mobile Applications.

#### INTERNAL CONTROLS SYSTEMS AND ADEQUACY

Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. Processes for formulating and reviewing annual and long-term business plans have been laid down.

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

- The Company constantly reviews the man power requirements and has a properly equipped department to take care of the requirements. The total number of people employed by the Company as on 31.03.2021 is 610.

**For and on behalf of the Board of Directors**  
**Sd/-**

**Tummala Gopichand**  
**Vice Chairman and Managing Director**  
**DIN: 00107886**

Place: Hyderabad  
Date: 10-06-2021



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that timely disclosures, transparent accounting policies coupled with a strong and independent board are the pillars of a good corporate governance structure. We endeavor to embrace and imbibe good governance practices. Corporate Governance is an integral means for the existence of the Company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices. We have a defined policy framework for ethical conduct of businesses. The Company is in compliance with

the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance. A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below.

### GOVERNANCE STRUCTURE

#### BOARD OF DIRECTORS

The composition of the Board with reference to the number of Executive, Non-Executive Directors and Woman Directors, meets the requirement of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The Company has an optimum combination of Non-Executive Directors. The present Board comprises of Seven Directors which includes Non-Executive & Independent Chairman, Executive Director, Non-Executive & Non-Independent Directors & Non-Executive & Independent Director (including one Independent Woman Director) as under:

Name of the Director	Director Identification Number (DIN)	Category
Mr. Koteswara Rao SSR	00964290	Chairman (Non-Executive & Independent Director)
Mr. T. Gopichand	00107886	Vice Chairman & Managing Director (Promoter Executive Director)
Dr. T. Hanuman Chowdary	00107006	Non-Executive & Independent Director
Dr. T. V. Lakshmi	00003020	Non-Executive & Independent Director
Mr. Divakar Atluri	00033386*	Non-Executive & Independent Director
Mr. T. Bapaiah Chowdary	00107795	Promoter Non-Executive & Non-Independent Director
Mrs. T. Pavana Devi	00107698	Promoter Non-Executive & Non-Independent Director

During the F.Y. 2020-21, \*Mr. Divakar Atluri has been appointed as an Additional Director (Non-Executive and Independent) in the Board Meeting held on 12th February, 2021 as recommended by the Nomination and Remuneration Committee.

#### MEETINGS OF BOARD

The meetings of the Board of Directors are generally held at the registered office of the Company located at Hyderabad. The Board of Directors met Seven (7) times during the financial year i.e. on 28.04.2020, 30.05.2020, 30.06.2020, 20.08.2020, 07.09.2020, 14.11.2020 and 12.02.2021 and the maximum time gap between any two meetings was less than one hundred and twenty days, as stipulated under SEBI(LODR) Regulations, 2015 as well as Companies Act, 2013.

The meetings of the Board were governed by a structured agenda. Directors were given an opportunity to include any other matters in the agenda. The agenda, together with Board papers, were sent in full to the directors not less than seven business days before the intended date of the Board Meeting or a shorter period with the consent of Independent

directors. 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.

None of the directors on the board is a Member of more than 10 committees or Chairman of more than 5 committees, across all companies in which he/she is a director. The necessary disclosures regarding committee positions have been made by the directors.

The names and categories of the directors on the Board, their attendance at Board meetings held during the year and the number of directorships and committee chairmanships/memberships held by them in other public companies as on 31st March, 2021 are given herein below:

Name of the Director	Category	Number of board meetings attended during the year 2020-21	Whether attended last AGM held on 31-10-2020	**No. of Directorships in public companies	***No. of Committee positions held in public companies		No. of share held	%to the paid-up share capital
					Chairman	Member		
Mr. T. Gopichand	Vice Chairman & Managing Director	7	Yes	1	0	0	1196554	9.56
Mr. Koteswara Rao SSR	Independent Non-Executive	5	No	2	0	3	0	0
Dr. T. Hanuman Chowdary	Independent Non-Executive	7	Yes	2	0	1	0	0
Dr. T.V. Lakshmi	Independent Non-Executive	7	Yes	1	1	1	0	0
Mr. Divakar Atluri	Independent Non-Executive	1	NA	1	1	0	0	0
Mr. T. Bapaiah Chowdary	Non-Executive	7	Yes	1	1	1	92,676	0.74
Mrs. T. Pavana Devi	Non-Executive	7	Yes	1	0	1	574760	4.59

\*\* 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 limited companies.

#### DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Name of the Director	Nature of Relationship
Mrs. T. Pavana Devi (Non-Executive Director)	Spouse of Mr. T. Gopichand (Vice Chairman & Managing Director of the Company)
Mr. T. Bapaiah Chowdary (Non-Executive Director)	Brother of Mr. T. Gopichand (Vice Chairman & Managing Director of the Company)

#### INDEPENDENT DIRECTORS

All 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 Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations.

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](http://www.terasoftware.com).

Separate meeting of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 was held on 12-02-2021 without the attendance of non – Independent Directors. At such meetings, the Independent Directors, inter alia, reviewed the performance of (i) Chairman, Non-Independent Directors and the Board as a whole, (ii) Chairman of the Company taking into account views of Executive/Non-Executive Directors and (iii) assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### DETAILS OF SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS

The Company has identified the following skills/expertise/competence and those which are already available within the Board:

S. No.	Name of the Directors	Existing Skills / Expertise / Competence
1	Mr. T. Gopichand	Technology Innovation, Strategic Development & Leadership
2	Mr. SSR Koteswara Rao	Accounts, Audit and Governance
3	Dr. T. Hanuman Chowdary	IT and Management Advisory
4	Dr. T.V. Lakshmi	Research & Innovations
5	Mr. T. Bapaiah Chowdary	Management
6	Mrs. T. Pavana Devi	Strategy & Leadership
7	Mr. Divakar Atluri	Accounts, Audit and Governance

#### CODE OF CONDUCT

The Company has adopted a code of conduct for all board members and designated senior management. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <http://terasoftware.com/investors/code-of-conduct/>. The Managing Director has confirmed to the Board that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year ended on 31st March, 2021. A declaration to this effect signed by Managing Director has been incorporated in the Annual Report.

#### BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION

The Company follows a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman based on the criteria approved by the Board.

The Board has adopted a formal performance evaluation policy for evaluating the performance of the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects such as attendance at meetings of Board, core competencies, performance of specific duties and obligations, leadership initiatives, adherence to code of conduct and compliance with the policies. The evaluation of the Independent Directors was carried out by the entire board excluding the director being evaluated.

#### REMUNERATION OF DIRECTORS

- All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:** Except Mr. T. Gopichand (VC & MD), Mrs. T. Pavana Devi and Mr. T. Bapaiah Chowdary the Non-executive Directors does not have any pecuniary relationship or transactions vis-à-vis the listed entity except for receiving sitting fees for attending meetings of the Board and Committees.
- Criteria of making payments to non-executive directors:** The Non-Executive & Independent Directors receive sitting fees. The amount of sitting

fees is subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force and on the recommendations by the Nomination and Remuneration Committee and approved by the Board of Directors.

**(c) Disclosures with respect to remuneration**

(i) All elements of remuneration package of individual directors summarized under major groups:

**For the year ending on 31st March, 2021 (Rs. in lakhs)**

S. No.	Name of the Director	Salary	Sitting Fees	Total
1	Mr. T. Gopichand	84.00	- - -	84.00
2	Dr. T. Hanuman Chowdary	- - -	1.31	1.31
3	Mr. Koteswara Rao SSR	- - -	0.70	0.70
4	Dr. T.V. Lakshmi	- - -	0.94	0.94
5	Mr. Divakar Atluri	- - -	0.20	0.20
6	Mr. T. Bapaiah Chowdary	- - -	1.14	1.14
7	Mrs. T. Pavana Devi	- - -	0.77	0.77

**(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 respective resolution passed by the Members in the General Meeting.

**(iii) Service contracts, notice period, severance fees- Nil**

**(iv) Stock option details: Nil**

## BOARD COMMITTEES

The Meetings of each of the Committees are convened by the respective Chairman of the Committees and also informed the Board about the summary of discussions held in the committee meetings. The minutes of the committee meetings are sent to all Directors individually and tabled at the respective Board / Committee Meetings.

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

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained herein.

## AUDIT COMMITTEE

The Audit Committee is responsible for the company's internal controls and the financial reporting process. The Committee met four times during the year i.e. on 30.06.2020, 07.09.2020, 14.11.2020 and 12.02.2021. The Chairman attended the last Annual General Meeting to answer shareholders' queries. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the Financial Year 2020-21 are detailed below.

Name	Category	Position	No of Meetings held	No of Meetings attended
Mr. Divakar Atluri*	Non Executive & Independent Director	Chairman	4	1
Dr. T. Hanuman Chowdary	Non Executive & Independent Director	Member	4	4
Mr. Koteswara Rao SSR	Non Executive & Independent Director	Member	4	2
Mr. T. Bapaiah Chowdary	Non Executive & Non-Independent Director	Member	4	3

**\*Mr. Divakar Atluri has been appointed as a member in the Audit Committee on 12th February, 2021.**

**Brief Description of Terms of reference is as follows:**

- Overseeing 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 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 Stakeholders' Relationship Committee (SRC) comprises of three Members of which one member is an Independent Director. The Committee is governed by the

following terms of reference:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
- The composition of the SRC Committee along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

Name	Category	Position	No of Meetings held	No of Meetings attended
Mr. T. Bapaiah Chowdary	Non-Executive Director	Chairman	1	1
Dr. T.V. Lakshmi	Non-Executive & Independent Director	Member	1	1
Mrs. T. Pavana Devi	Non-Executive Director	Member	1	1

During the year, One SRC Committee meeting was held on 12th February, 2021. During the year 1 Complaint/Query of general nature (non-receipt of Annual Reports, IEPF Claim of shares, Service/delivery of Annual Report) 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](mailto:info@terasoftware.in)

Compliance Officer Name and Address

Mr Ch. Mallikarjuna

Company Secretary & Compliance Officer

Tera Software Limited, # 8-2-293/82/A/1107

Plot No. 1107, Road No. 55, Jubilee Hills, Hyderabad – 500033.

E-mail: [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in)



## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration 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 and the Board;
- 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.

The composition of the NRC Committee along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

Name	Category	Position	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman	2	2
Dr. T.V. Lakshmi	Non-Executive & Independent Director	Member	2	2
Mr. T. Bapaiah Chowdary	Non-Executive Director	Member	2	2

During the year under review, 2 NRC Committee meetings were held on 30th June, 2020 and 12th February, 2021.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- Formulate and recommend to the Board, a CSR 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 to be incurred on the CSR activities.
- Monitor implementation and adherence to the CSR Policy of the company periodically.
- Such other matters and functions as may be determined from time to time.

The CSR policy of the Company is available on our website, [www.terasoftware.com](http://www.terasoftware.com) under investors section. The composition of the CSR Committee along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

Name	Category	Position	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman	1	1
Mr. Divakar Atluri*	Non-Executive & Independent Director	Member	1	NA
Mr. T.Gopichand	Executive Director	Member	1	1
Mrs. T. Pavana Devi	Non-Executive Director	Member	1	1

**\*Note: Mr. Divakar Atluri has been appointed in CSR Committee w.e.f.12th February, 2021.**

During the financial year 2020-21 one CSR Committee meeting was held on 14th November, 2020.

## RISK MANAGEMENT COMMITTEE

The Company has voluntarily formed Risk Management Committee. The Committee has been delegated the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

No meeting of this Committee was held during the financial year i.e. 2020-21. Constitution of the committee is as follows:

Name	Category	Position
Mr. T. Gopichand	Executive Director	Chairman
Mr. Koteswara Rao SSR	Non-Executive & Independent Director	Member
Dr. T. V.Lakshmi	Non-Executive & Independent Director	Member

## GENERAL BODY MEETINGS

The date, time and venue of the General Meetings & Postal Ballots held during the preceding three years and the Resolution (s) passed thereat are as follows:

Annual General Meeting	Venue	Time, Day & Date	Special Resolution passed
26th AGM	Through Video Conference	31st October, 2020, Saturday 11:00 AM	Nil
25th AGM	Jubilee Hills International Center, Road No. 14, Jubilee Hills, Hyderabad, Telangana 500033	26th September, 2019 Thursday 11:00 AM	<ol style="list-style-type: none"> <li>To re-appoint Dr. Hanuman Chowdary Tripuraneni (DIN: 00107006 AGE: 87) as an Independent Director</li> <li>To re-appoint Mr. Ramalingappa Shivabasappa Bakkannavar ((DIN: 00108720 AGE:77 years) as an Independent Director</li> <li>To re-appoint Mr. Surapaneni Sree Rama Koteswara Rao (DIN: 00964290 AGE: 76) as an Independent Director</li> <li>To re-appoint Mrs. Thozuvanoor Vellat Lakshmi (DIN: 00003020 AGE: 60) as an Independent Director</li> </ol>
24th AGM	Jubilee Hills International Center, Road No. 14, Jubilee Hills, Hyderabad, Telangana 500033	17th September, 2018 Monday 11:00 AM	NIL

## Means of Communication

The quarterly unaudited results are announced within the time limit specified under listing agreement. The aforesaid financial results are sent to BSE & NSE and also uploaded on the Company's website [www.terasoftware.com](http://www.terasoftware.com) immediately after being approved by the Board. The results are thereafter published in the leading National newspaper namely Financial Express in English and regional newspaper namely Nava Telangana in telugu language.

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	Friday, the 30th day of July, 2021 at 11:00 AM at the registered office of the Company through Video Conferencing (VC)/ Other Audio Visual Means (OAVM).
b)	Financial Year	1st April, 2020 to 31st March, 2021.
c)	Date of Book Closure	Friday, 23rd July, 2021 to Thursday, 29th July, 2021 (both days inclusive)
d)	Listing on stock exchanges	<b>BSE Limited</b> , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. <b>National Stock Exchange of India Ltd.</b> , Exchange Plaza, C-1, Block G, Bandra-kurla Complex, Bandra (East), Mumbai-400051.
e)	Scrip Code/Symbol	BSE: <b>533982</b> NSE: <b>TERASOFT</b>
f)	Company's ISIN	<b>INE482B01010</b>

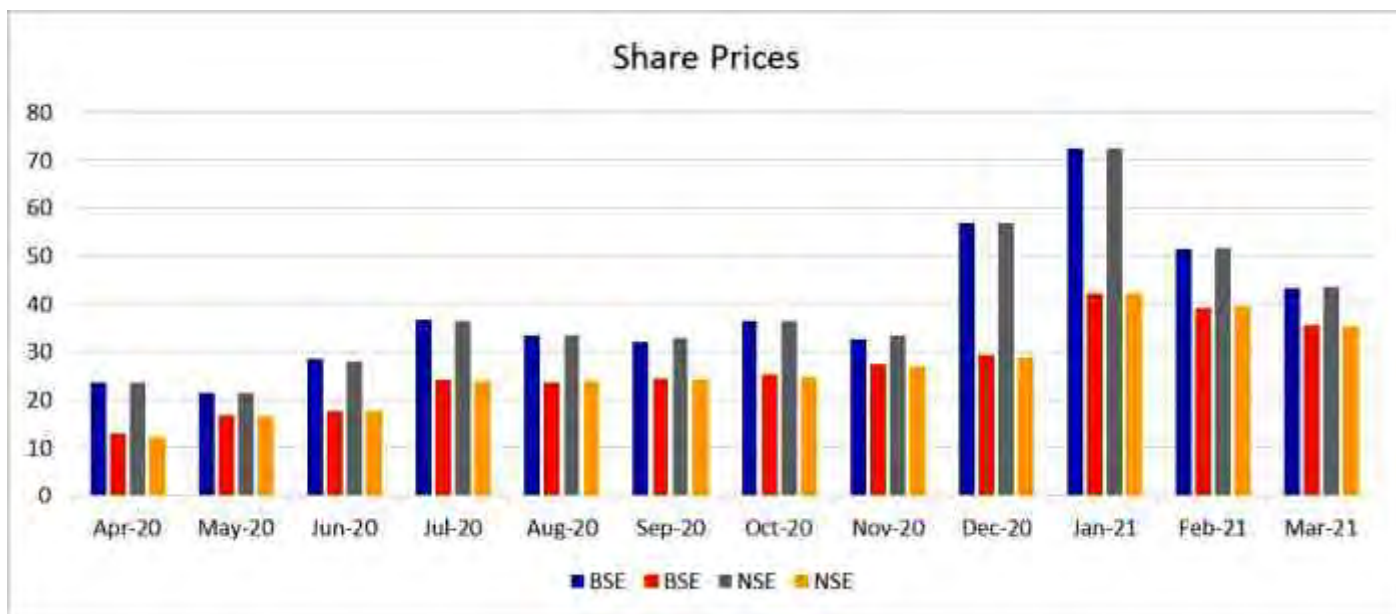
**g) Market Price Data**

The monthly high and low stock quotations during the last financial year in BSE & NSE are given below

Month & Year	BSE		SENSEX		NSE		NIFTY50	
	High	Low	High	Low	High	Low	High	Low
Apr-20	23.69	13.00	33887.25	27500.79	23.50	12.20	9889.05	8055.80
May-20	21.50	16.80	32845.48	29968.45	21.30	16.50	9598.85	8806.75
Jun-20	28.50	17.60	35706.55	32348.10	28.00	17.50	10553.15	9544.35
Jul-20	36.80	24.10	38617.03	34927.20	36.50	23.80	11341.40	10299.60
Aug-20	33.40	23.55	40010.17	36911.23	33.35	23.85	11794.25	10882.25
Sep-20	31.95	24.30	39359.51	36495.98	32.95	24.00	11618.10	10790.20
Oct-20	36.50	25.10	41048.05	38410.20	36.30	24.70	12025.45	11347.05
Nov-20	32.50	27.40	44825.37	39334.92	33.50	26.80	13145.85	11557.40
Dec-20	56.90	29.35	47896.97	44118.10	57.00	28.70	14024.85	12962.80
Jan-21	72.30	42.15	50184.01	46160.46	72.50	42.10	14753.55	13596.75
Feb-21	51.35	39.20	52516.76	46433.65	51.70	39.30	15431.75	13661.75
Mar-21	43.20	35.45	51821.84	48236.35	43.60	35.20	15336.30	14264.40

**h) Share Price Performance in comparison to Broad Based Indices BSE Sensex and NSE Nifty as on 31st March, 2021**

Particulars	Share Price v/s NSE		Share Price v/s BSE	
	Share Price v/s NSE	Nifty50	Share Price v/s NSE	Nifty50
As on 1st April, 2020	13.25	8253.80	13.16	28,265.31
As on 31st March, 2021	37.85	14690.70	38.00	49,509.15
Changes (%)	185.66	77.98	188.75	75.15



#### Registrars and Transfer Agents

Kfin Technologies 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@kfintech.com](mailto:einward.ris@kfintech.com)

Website: <https://www.kfintech.com/>

#### j) 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. KFin Technologies 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.

#### k) Distribution of Shareholding as on 31st March, 2021

Category (Shares)	No. of Cases	% of Cases	Amount	% to equity
1-5000	11221	85.52	14075190.00	11.25
5001 - 10000	997	7.60	8092120.00	6.47
10001 - 20000	463	3.53	6955210.00	5.56
20001 - 30000	135	1.03	3513760.00	2.81
30001 - 40000	80	0.61	2795390.00	2.23
40001 - 50000	51	0.39	2363700.00	1.89
50001 - 100000	100	0.76	7212720.00	5.76
100001 & Above	74	0.56	80110660.00	64.03
Total:	13121	100.00	125118750.00	100.00

# l) Shareholding Pattern as on 31st March, 2021

Sl. No	Category of Shareholder	No. Share-holders	No. Share-holders	Total Shares	% of Total Shares
A	Shareholding of Promoter & Promoter Group				
	Indian				
	Individuals/Hindu Undivided Family	8	5948327	47.54	
	Foreign	Nil	Nil	Nil	
	Public Shareholding:	Nil	Nil		
	Institutions:				
	Financial Institutions/Banks	1	100	0.00	
	Non-Institutions:				
	Bodies Corporate	66	261224	2.09	
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	12851	4894144	39.12	
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	18	1097006	8.77	
	NBFCs Registered with RBI	0	0	0.00	
	Clearing Members	46	41725	0.33	
	Non Resident Indians	93	165685	1.32	
	Non Resident Indians-Non Repatriable	37	35050	0.28	
	Investor Education & Protection Fund (IEPF)	1	68614	0.55	
	Total:	13121	12511875	100.00	

# m) Shareholders holding more than 1% of shares

Sl.No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Raja Sekhar Tummala	2824617	22.58
2	Tummala Gopichand	1196554	9.56
3	Madhu Mitra Tummala	841308	6.72
4	Tummala Pavana Devi	574760	4.59
5	N Sri Durga	226537	1.81
6	Pravin N Gala HUF	184313	1.47
7	Mahendra Giridharilal	156209	1.25
8	Parag Vipin Shah	142051	1.14
9	T. Seetharamamma	136875	1.09
10	Rajesh Dinkar Fowkar	129942	1.04
	<b>Total:</b>	6413166	51.25

# n) 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, 2021:

Mode of Holding	No. of Shares	% of Total Shares
NSDL	9534338	76.20
CDSL	2916646	23.31
Physical	60891	0.49
Total:	12511875	100.00

As at the end of 31st March, 2021 total 99.51% of paid-up Equity Shares of the Company are in electronic form.

**o) 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 year 2020-21 and there are no outstanding convertible instruments which will impact the equity.

**p) Address for correspondence and contact persons for investors' queries:**

Investors' correspondence may be addressed to Mr. Ch. Mallikarjuna, 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 – 500 033, Tel: 040-23547447; E-mail: [companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in)

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

**r) Outstanding of unclaimed dividend amounts:**

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 unclaimed 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 Funds.

Further, pursuant to Section 124(6) of the Act read with relevant rule of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company had transferred unclaimed dividend for the F.Y. 2012-13 of Rs. 1,51,056/- and 5,745 unclaimed equity shares to Investor Education and Protection Fund. Members are further requested to note that on completion of 7 years, no claims shall lie against the said fund or company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims. Shareholders may note that both the unclaimed dividend and the shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF after following the procedure prescribed in the Rules.

Details of outstanding amount of unclaimed dividend lying in Unpaid Dividend Account as on 31st March, 2021.

Financial year	Date of declaration of Dividend	Amount remaining Unclaimed as on 31.03.2021 (in Rs.)	Last date for claiming unpaid dividend amount (on or before)	Last date for transfer to IEPF
2013-14	30/09/2014	169,048	06/11/2021	06/12/2021
2014-15	30/09/2015	140,320	06/11/2022	06/12/2022
2015-16	30/09/2016	243,264	06/11/2023	06/12/2023

## OTHER DISCLOSURES

- i. **Related party transactions:** There are no materially significant related party transactions during the year 2020-21 that has potential conflict of interest with the interest of Company at large.
- ii. There was no non-compliance by the Company for which penalties or strictures 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.
- iii. The Vice Chairman & Managing Director and the Chief Financial Officer have given certification in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the Financial Year ended 31st March, 2021.
- iv. 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 and ethics Policy. The said mechanism also provides for direct access to the Chairperson 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/>.
- v. **Prohibition of Insider Trading**  
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.
- vi. The status on the compliance with the non-mandatory recommendation in the SEBI Regulations is as under
  - The Chairman of the Board is a Non-Executive & Independent Director and his position is separate from that of the Vice Chairman & Managing Director.
  - 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.

- vii. SEBI Complaints Redressal System (SCORES): SEBI has initiated SCORES for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.
- viii. NSE Electronic Application Processing System (NEAPS) & BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): The NEAPS & BSE's Listing Centre are web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, investor's complaints, media releases, among others are filed electronically on NEAPS.

For and on behalf of the Board of Directors  
Sd/-

Tummala Gopichand

Place: Hyderabad Vice Chairman and Managing Director  
Date: 10-06-2021 DIN: 00107886

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## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tera Software Limited** (hereinafter referred as '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 Company's 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, 2021 ("Audit Period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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; **Not applicable to the Company during the Audit Period.**

- (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 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **No event falling under this Regulation have occurred during the Audit Period**
  - (d) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **No event falling under this Regulation have occurred during the Audit Period.**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **No event falling under this Regulation have occurred during the Audit Period.**
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **No event falling under this Regulation have occurred during the Audit Period.**

Sd/-

CS K.CH. VENKAT REDDY

For C. V. REDDY K & ASSOCIATES

Company Secretaries

FCS No.: 7976

CP No.: 8998

UDIN: F007976C000337426

Place: Hyderabad

Date: 17-05-2021

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,  
Tera Software Limited  
8-2-293/82/A/1107, Road No-55 Plot No-1107,  
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.

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **No event falling under this Regulation have occurred during the Audit Period.**

(vi) The IEPF & Misc. Provisions Act, 1952;

(vii) Other Laws applicable specifically to the Company, namely:

- Information Technology Act, 2000;
- The Micro, Small and Medium Enterprises Development Act, 2006

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.

#### I further report that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with the 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.
- iii. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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.

**Sd/-**

**CS K.CH. VENKAT REDDY**  
**For C. V. REDDY K & ASSOCIATES**

**Company Secretaries**

**FCS No: 7976**

**C P No.: 8998**

Place: Hyderabad

Date: 17.05.2021

**ANNUAL SECRETARIAL COMPLIANCE REPORT**  
**OF TERA SOFTWARE LIMITED FOR THE YEAR ENDED**  
**31ST MARCH, 2021**

[under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We C.V. Reddy K & Associates, Practicing Company Secretaries have examined:

- all the documents and records made available to us and explanation provided by Tera Software Limited ("the listed entity"),
  - the filings/ submissions made by the listed entity to the stock exchanges,
  - website of the listed entity,
  - any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**

- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations 1993
- Securities and Exchange Board of India (Depositories and Participants) Regulations 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- There were no actions taken against the listed entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:
- There were no observations made for which any action need to be taken by the listed entity:

**Sd/-**

**CS K.CH. VENKAT REDDY**  
**For C. V. REDDY K & ASSOCIATES**  
**Company Secretaries**

**FCS No.: 7976**

**C P No.: 8998**

**UDIN: F007976C000337437**

**Place: Hyderabad**

**Date: 17.05.2021**



## Annexure – II

**Report on Corporate Social Responsibility as per Rule 8 of Companies  
(Corporate Social Responsibility Policy) Rules, 2014**
**1. Brief outline on CSR Policy of the Company:**

Tera Software Limited (Company) believes that CSR plays an important role in an organization's existence and sustained growth. In line with this, Tera Software Limited would be carrying out CSR activities to build a better, sustainable way of life for the weaker sections of society and to promote the Education. CSR

programmes, projects and activities are independent from the normal business activities of the Company. The core areas of CSR activities are:

- Promotion of education including special education and employment enhancing vocational skills
- Eradicating hunger, Poverty and malnutrition, promoting healthcare and sanitation
- Providing drinking water to weaker sections and to the children at government schools.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for social

economic development and relief.

Name	Category	Position	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman	1	1
Mr. Divakar Atluri*	Non-Executive & Independent Director	Member	1	NA
Mr. T. Gopichand	Executive Director	Member	1	1
Mrs. T. Pavana Devi	Non-Executive Director	Member	1	1

**\*Note: Mr. Divakar Atluri has been appointed in CSR Committee w.e.f.12th February, 2021**

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company **www.terasoftware.com**
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - **NOT APPLICABLE**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
Nil			

- Average net profit of the company as per section 135(5):

Rs. in lakhs

Particulars	For the Financial year ended 31st March		
	2020	2019	2018
Net Profit	986.50	596.26	230.30
Average Net profit for the preceding three financial years	604.35		

7. (a) Two percent of average net profit of the company as per section 135(5) – Rs.12,08,715/-  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – NIL  
 (c) Amount required to be set off for the financial year, if any – NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c) - Rs.12,08,715/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount in Rs.	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	12,08,715/-	30-04-2021	NA	Nil	NA

Intentionally Kept Blank

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District				Name	CSR Registration number
1.	Contribution for construction of Convention Hall for Siddaganga Institute of Technology (SIT) Campus	Promotion of Education Development Project	Yes	Karnataka	SIT Campus, B.H. Road, Tumakuru PIN: 572103, Karnataka	25,00,000	Nil	25,00,000	Yes	---
2.	Drainage and Sewage works at Gagillapur village, Ameenpur, Hyderabad.	Rural development projects	Yes	Telangana	Gagillapur Village, Ameenpur, Hyderabad	15,38,302	Nil	15,38,302	Yes	

(c) Details of CSR amount spent against other than on going projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR Registration number
				State	District		Name	
								Nil

- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Nil  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil  
 (g) Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	7,71,587/-	9,00,000	NA	Nil	NA	7,71,587/-
2.	2017-18	20,58,000/-	Nil	NA	Nil	NA	20,58,000/-
3.	2016-17	23,16,210/-	23,16,210/-	NA	Nil	NA	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable  
 (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable  
 (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Due to Projects are ongoing projects and waited for the requirement of funds of Projects of identified and also due to Pandemic of COVID-19 the implementation of the project activities are in slow down.

**For and on behalf of the Board of Directors**  
**Sd/-**

**Tummala Gopichand**

**Vice Chairman and Managing Director**

**DIN: 00107886**

**Place: Hyderabad**

**Date: 10-06-2021**

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021**

[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, 040 - 23547448 Fax : 040 - 23547449 Email: <a href="mailto:info@terasoftware.in">info@terasoftware.in</a> ; Website: <a href="http://www.terasoftware.com">www.terasoftware.com</a>
vi.	Whether listed company ( Yes / No)	Yes (BSE & NSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Contact Person: Mohammed Shanoor Officer-Corporate Registry Toll free Number: 1-800-309-4001 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a> and /or <a href="https://ris.kfintech.com">https://ris.kfintech.com</a>

**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**

S.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 (1 <sup>st</sup> April, 2020)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2021)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	6010651	--	6010651	48.04	5948327	--	5948327	47.54	(0.05)
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(1): -	6010651	--	6010651	48.04	5948327	--	5948327	47.54	(0.05)
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)	6010651	--	6010651	48.04	5948327	--	5948327	47.54	(0.05)
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	110	--	110	0	100	--	100	0	0.00
g) Insurance Companies	--	--	--	--		--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2020)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2021)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Provident Funds/Pension Funds	--	--	--	--	--	--	--	--	--
i) Any other	--	--	--	--	--	--	--	--	--
<b>Sub-total(B)(1)</b>	<b>110</b>	<b>--</b>	<b>110</b>	<b>0</b>	<b>100</b>	<b>--</b>	<b>100</b>	<b>0</b>	<b>0.00</b>
<b>2. Central Government/State Government(s)/President of India</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Sub-total(B)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>3. Non-Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Bodies Corporate	317300	--	317300	2.54	261224	--	261224	2.09	(0.45)
b) Individuals									
(i) Individuals holding nominal share capital upto Rs. 2 lakhs	4354642	62991	4417633	35.71	4833253	60891	4894144	39.12	3.41
(ii) Individuals holding nominal share capital in excess of Rs. 2 lakhs	1484199	--	1484199	11.86	1097006	--	1097006	8.77	0.41
c) Others	--	--	--	--	--	--	--	--	--
NBFC's registered with RBI	--	--	--	--	--	--	--	--	--
Employee Trusts	--	--	--	--	--	--	--	--	--
Overseas Depositories	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Non-Resident Indians	155468	--	155468	1.24	165685	--	165685	1.32	(0.08)
Clearing Members	26513	--	26513	0.21	41725	--	41725	0.33	0.12
NRI Non-Repatriable	36556	--	36556	0.29	35050	--	35050	0.28	(0.01)
IEPF	63445	--	63445	0.51	68614	--	68614	0.55	0.04
d) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
<b>Sub-Total B(3):</b>	<b>6438123</b>	<b>62991</b>	<b>6501114</b>	<b>51.96</b>	<b>6502557</b>	<b>60891</b>	<b>5205218</b>	<b>52.46</b>	<b>0.50</b>
<b>Total B=B(1)+B(2)+B(3):</b>	<b>6438233</b>	<b>62991</b>	<b>6501224</b>	<b>51.96</b>	<b>6502657</b>	<b>60891</b>	<b>5205318</b>	<b>52.46</b>	<b>0.50</b>
<b>Total (A+B):</b>	<b>12448884</b>	<b>62991</b>	<b>12511875</b>	<b>100.00</b>	<b>12450984</b>	<b>60891</b>	<b>12511875</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by custodians for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grand Total (A+B+C):</b>	<b>12448884</b>	<b>62991</b>	<b>12511875</b>	<b>100.00</b>	<b>12448884</b>	<b>62991</b>	<b>12511875</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2020)			Shareholding at the end of the year (31 <sup>st</sup> March, 2021)			
		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	Mr. Tummala Gopichand	1892836	15.13	99.89	1196554	9.56	74.44	(5.57)
2	Mr. Tummala Gopichand (HUF)	503718	4.03	--	--	--	--	(100)
3	Mrs. Tummala Pavana Devi	1174760	9.39	99.38	574760	4.59	29.14	(4.8)
4	Mrs. Tummala Tulasi Rani	60000	0.48	--	55000	0.44	--	0.04
5	Mr. Tummala Bapaiah Chowdary	150000	1.20	10.00	92676	0.74	16.19	0.46
6	Ms. N Sri Durga	226537	1.81	--	226537	1.81	--	--
7	Mr. Madhu Mitra Tummala	841308	6.72	1.09	841308	6.72	1.09	--
8	Mrs.T. Seetharamamma	136875	1.09	--	136875	1.09	--	--
9	Mr. Raja Sekhar Tummala	1024617	8.19	--	2824617	22.58	--	14.39
	<b>Total</b>	<b>60,10,651</b>	<b>48.04</b>		<b>5948327</b>	<b>47.54</b>		

### iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year 1st April, 2020		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Tummala Gopichand				
	Beginning of the year (01-04-2020)	1892836	15.13	--	--
	Inter se transfer on 19-03-2021	696282	5.57	1196554	9.56
	End of the year (31-03-2021)	--	--	1196554	9.56
2	Mrs. Tummala Pavana Devi				
	Beginning of the year (01-04-2020)	1174760	9.39	--	--
	Inter se transfer on 19-03-2021	600000	4.80	574760	4.59
	End of the year (31-03-2021)	--	--	574760	4.59
3.	Mr. Rajasekhara Tummala				
	Beginning of the year (01-04-2020)	1024617	8.19	--	--
	Inter se transfer on 19-03-2021	1800000	14.39	2824617	22.58
	End of the year (31-03-2021)	--	--	2824617	22.58
4.	Mr. Tummala Bapaiah Chowdary				
	Beginning of the year (01-04-2020)	150000	1.20	--	--
	Sold on 08-01-2021	57324	0.45	92676	0.74
	End of the year (31-03-2021)	--	--	92676	0.74
5.	Mrs. Tummala Tulasi Rani				
	Beginning of the year (01-04-2020)	60000	0.48	--	--
	Sold on 08-01-2021	5000	0.04	550000	0.44
	End of the year (31-03-2021)	--	--	550000	0.44
6.	Mr. Tummala Gopichand (HUF)				
	Beginning of the year (01-04-2020)	503718	--	--	--
	Inter se transfer on 19-03-2021	503718	--	--	--
	End of the year (31-03-2021)	--	--	--	--

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

TERA SOFTWARE LIMITED										
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2020 AND 31/03/2021										
Sl. No	Folio/DP Id-Client Id	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year
					No of Shares	% of total shares of the company				No of Shares
1	AAAPF7534Q	PUB	Opening Balance	Rajesh Dinkar Fowkar	240038	1.92	31/03/2020			240038
			Sale				10/07/2020	-15000	Transfer	225038
			Sale				17/07/2020	-13100	Transfer	211938
			Purchase				24/07/2020	3700	Transfer	215638
			Sale				14/08/2020	-5900	Transfer	209738
			Sale				28/08/2020	-10972	Transfer	198766
			Sale				04/09/2020	-8728	Transfer	190038
			Sale				11/09/2020	-1896	Transfer	188142
			Purchase				30/09/2020	3600	Transfer	191742
			Purchase				16/10/2020	1500	Transfer	193242
			Sale				30/10/2020	-1500	Transfer	191742
			Purchase				06/11/2020	2500	Transfer	194242
			Purchase				13/11/2020	2500	Transfer	196742
			Sale				25/12/2020	-52000	Transfer	144742
			Purchase				31/12/2020	6200	Transfer	150942
			Sale				01/01/2021	-5000	Transfer	145942
			Sale				08/01/2021	-27000	Transfer	118942
			Purchase				15/01/2021	6000	Transfer	124942



TERA SOFTWARE LIMITED											
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2020 AND 31/03/2021											
Sl. No	Folio/DP Id-Client Id	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
			Purchase				22/01/2021	17000	Transfer	141942	1.13
			Purchase				29/01/2021	3000	Transfer	144942	1.16
			Sale				12/02/2021	-3000	Transfer	141942	1.13
			Sale				19/02/2021	-12000	Transfer	129942	1.04
			Closing Balance				31/03/2021			129942	1.04
2	AAXPS0154N	PUB	Opening Balance	Parag Vipin Shah	149706	1.20	31/03/2020			149706	1.20
			Purchase				26/06/2020	25000	Transfer	174706	1.40
			Sale				31/12/2020	-1757	Transfer	172949	1.38
			Sale				01/01/2021	-10898	Transfer	162051	1.30
			Sale				08/01/2021	-20000	Transfer	142051	1.14
			Closing Balance				31/03/2021			142051	1.14
3	AAGHP5338C	HUF	Opening Balance	Pravin Nanji Gala Huf	108000	0.86	31/03/2020			108000	0.86
			Purchase				15/05/2020	36000	Transfer	144000	1.15
			Purchase				22/05/2020	825	Transfer	144825	1.16
			Purchase				29/05/2020	1788	Transfer	146613	1.17
			Purchase				12/06/2020	2000	Transfer	148613	1.19
			Purchase				26/06/2020	37200	Transfer	185813	1.49
			Purchase				10/07/2020	185813	Transfer	371626	2.97
			Sale				10/07/2020	-185813	Transfer	185813	1.49
			Sale				30/10/2020	-1000	Transfer	184813	1.48
			Purchase				06/11/2020	1000	Transfer	185813	1.49
			Sale				18/12/2020	-2500	Transfer	183313	1.47
			Sale				25/12/2020	-5000	Transfer	178313	1.43
			Purchase				31/03/2021	6000	Transfer	184313	1.47
			Closing Balance				31/03/2021			184313	1.47

TERA SOFTWARE LIMITED												
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2020 AND 31/03/2021												
Sl. No	Folio/DP Id-Client Id	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year		% of total shares of the company
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company	
4	AACCP6862E	LTD	Opening Balance	Protechsoft Systems P Ltd	102507	0.82	31/03/2020			102507	0.82	0.82
			Closing Balance				31/03/2021			102507	0.82	0.82
5	AAAPW1327L	PUB	Opening Balance	Mahendra Girdharilal	90714	0.73	31/03/2020			90714	0.73	0.73
			Purchase				24/04/2020	11000	Transfer	101714	0.81	0.81
			Purchase				22/05/2020	4900	Transfer	106614	0.85	0.85
			Purchase				29/05/2020	5513	Transfer	112127	0.90	0.90
			Purchase				05/06/2020	7321	Transfer	119448	0.95	0.95
			Purchase				12/06/2020	16887	Transfer	136335	1.09	1.09
			Purchase				19/06/2020	19874	Transfer	156209	1.25	1.25
			Closing Balance				31/03/2021			156209	1.25	1.25
6	AAPCS2058G	LTD	Opening Balance	Solty Deal Trade Pvt. Ltd.	84638	0.68	31/03/2020			84638	0.68	0.68
			Closing Balance				31/03/2021			84638	0.68	0.68
7	AIRPB9282E	NRI	Opening Balance	AnilGurmukh Bhagwani	79927	0.64	31/03/2020			79927	0.64	0.64
			Closing Balance				31/03/2021			79927	0.64	0.64
8	AAFP6568A	PUB	Opening Balance	Nirmala Pravin Gala	78000	0.62	31/03/2020			78000	0.62	0.62
			Sale				08/05/2020	-34000	Transfer	44000	0.35	0.35
			Sale				15/05/2020	-2852	Transfer	41148	0.33	0.33
			Sale				22/05/2020	-525	Transfer	40623	0.32	0.32
			Sale				29/05/2020	-1450	Transfer	39173	0.31	0.31
			Sale				05/06/2020	-39173	Transfer	0	0.00	0.00
			Closing Balance				31/03/2021			0	0.00	0.00

TERA SOFTWARE LIMITED											
SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2020 AND 31/03/2021											
Sl. No	Folio/DP Id-Client Id	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
9	AIPPB0745E	PUB	Opening Balance	Usha R Bhat	76000	0.61	31/03/2020			76000	0.61
			Sale				15/01/2021	-26000	Transfer	50000	0.40
			Sale				22/01/2021	-17000	Transfer	33000	0.26
			Sale				05/02/2021	-15500	Transfer	17500	0.14
			Sale				12/02/2021	-17500	Transfer	0	0.00
			Closing Balance				31/03/2021			0	0.00
10	EXEMPTCATG	IEP	Opening Balance	Investor Education and Protection Fund Authority	63445	0.51	31/03/2020			63445	0.51
			Purchase				19/03/2021	5169	Transfer	68614	0.55
			Closing Balance				31/03/2021			68614	0.55

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year 01-04-2020		Cumulative Shareholding during the year 31-03-2021	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
Share Holding of KMP					
1.	Mr. T. Gopichand Vice Chairman & Managing Director	1892836	15.13	1196554	9.56
2.	Mr. O. Babu Reddy, CFO	50	0.00	50	0.00
3.	Mr. Ch. Mallikarjuna, CS	-	-	-	-
Shareholding of Other Directors					
1.	Mrs. T. Pavana Devi	1174760	9.39	574760	4.59
2.	Mr. T. Bapaiah Chowdary	150000	1.20	92676	0.74
3.	Mrs.T.V. Lakshmi,	-	-	-	-
4.	Dr. T. Hanuman Chowdary	-	-	-	-
5.	Mr. Koteswara Rao SSR	-	-	-	-
6.	Mr. Divakar Atluri	-	-	-	-

**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	26,71,52,108	2,38,00,000	-	29,09,52,108
ii) Interest due but not paid	-	38,24,160	-	38,24,160
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>26,71,52,108</b>	<b>2,76,24,160</b>	<b>-</b>	<b>29,47,76,268</b>
Change in Indebtedness during the financial year				
- Addition	23,55,43,306	4,16,08,578		27,71,51,884
- Reduction	1,44,39,924	1,26,00,000		2,70,39,924
<b>Net Change</b>	<b>22,11,03,382</b>	<b>2,90,08,578</b>		<b>25,01,11,960</b>
Indebtedness at the end of the financial year				
i) Principal Amount	48,82,55,490	5,28,08,578		54,10,64,068
ii) Interest due but not paid	-	50,81,814		50,81,814
iii) Interest accrued but not due	-	-		-
<b>Total(i+ii+iii)</b>	<b>48,82,55,490</b>	<b>5,78,90,392</b>		<b>54,61,45,882</b>

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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
		<b>Mr. T. Gopichand Vice Chairman &amp; Managing Director</b>	
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)	<b>84,00,000</b>	<b>84,00,000</b>
	Ceiling as per the Act	Within the limits of Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013	

### A. Remuneration to other directors:

(Amount in Rs.)

Sl. No	Particulars of Remuneration	Sitting Fee for attending the Board/Committee Meeting
<b>1.</b>	<b>Independent Directors</b>	
(i)	Dr. T. Hanuman Chowdary	1,31,000
(ii)	Mr. Koteswara Rao SSR	70,000
(iii)	Dr. T.V. Lakshmi	94,000
(iv)	Mr. Divakar Atluri	20,000
	<b>Total (1)</b>	<b>3,15,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>	
(i)	Mr. T. Bapaiah Chowdary	1,14,000
(ii)	Mrs. T. Pavana Devi	77,000
	<b>Total (2)</b>	<b>1,91,000</b>
	<b>Total B=(1+2)</b>	<b>5,06,000</b>



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

Sl. No.	Particulars of Remuneration	Name of the KMP other than MD/WTD/Manager			(Amount in Rs.)
		O. Babu Reddy Chief Financial Officer	Shabnam Siddiqui* Company Secretary (Resigned on 15-09-2020)	Ch. Mallikarjuna Company Secretary (appointed on 12-02-2021)	Total
1.	Gross salary	12,86,803/-	3,82,547/-	59,925/-	17,29,275/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--		
	(c) Profits in lieu of salary under section 17(3) In come- tax Act, 1961	--	--		
2	Stock Option	--	--		
3	Sweat Equity	--	--		
4	Commission - as % of profit - others, specify...	--	--		
5	Others, please specify	12,86,803/-	3,82,547/-	59,925/-	17,29,275/-

**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 2020-21.

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

Sl. No	Particulars	A.	B.	C.	D.	E.	F.
1.	Name(s) of the related party and nature of relationship	Mr. T. Gopichand & Mr. T. Gopichand (HUF) Vice Chairman & Managing Director of the company	Mrs. T. Pavana Devi Wife of T. Gopichand & Director of the Company	Mr. T. Bapaiah Chowdary & Raja Enterprises: is owned and controlled by Mr. T. Bapaiah Chowdary, Director of the Company	Mr. T. Madhu Mitra (Son of Mr. T. Gopichand & Mrs. T. Pavana Devi), Mrs. T. Vindhya (Daughter-in-law of Mr. T. Gopichand & Mrs. T. Pavana Devi) & Mr. T. Girish (Son of Mr. T. Bapaiah Chowdary)	Mr. O. Babu Reddy, CFO	Mrs. Shabnam Siddiqui, Company Secretary & Mr. Ch. Mallikarjuna, Company Secretary
2.	Nature of contracts/arrangements/transactions	a) Remuneration paid b) Unsecured Loans c) Interest on Unsecured Loans	a) Sitting Fees b) Unsecured Loans c) Interest on Unsecured Loans	a) Sitting Fees	Salary	Salary	Salary

Sl. No	Particulars	A.	B.	C.	D.	E.	F.
3.	Duration of the contracts/arrangements/transactions	NA	NA	NA	NA	NA	NA
4.	Salient terms of the contracts or arrangements or transactions including the value, if any:	In the normal course of business	In the normal course of business	In the normal course of business	In the normal course of business	In the normal course of business	In the normal course of business
5.	Date(s) of approval by the Board, if any:	30.06.2020	30.06.2020	30.06.2020	30.06.2020	NA	NA
6.	Amount paid as advances, if any:	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors  
Sd/-  
Tummala Gopichand  
Vice Chairman and Managing Director  
DIN: 00107886

Place: Hyderabad  
Date: 10-06-2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

### Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I have examined the Company and Registrar of Companies records, books and papers of TERA SOFTWARE LIMITED (CIN: L72200TG1994PLC018391) having its Registered Office at "8-2-293/82/A/1107, Road No-55, Jubilee Hills, Hyderabad-500033, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on 31st March, 2021.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2021:

S.No	DIN No	Name of the Director	Designation
1	00964290	Surapaneni Sree Rama Koteswara Rao	Chairman (Independent Director)
2	00107886	Gopichand Tummala	Vice Chairman & Managing Director
3	00107006	Hanuman Chowdary Tripuraneni	Independent Director
4	00003020	Thozuvanoor Vellat Lakshmi	Independent Director
5	00033386	Divakar Atluri	Independent Director
6	00107795	Tummala Bapaiah Chowdary	Non-Executive Director
7	00107698	Pavana Devi Tummala	Non-Executive Director

**CS K.CH. VENKAT REDDY**  
**For C. V. REDDY K & ASSOCIATES**  
**Company Secretaries**  
**FCS No: 7976**  
**CP No.: 8998**

Place: Hyderabad  
Date: 17/05/2021

Annexure - H

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

We, Gopichand Tummala, Vice Chairman & Managing Director and Babu Reddy Oduru, Chief Financial Officer of the company; to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2021 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 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 we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 10.06.2021	Sd/- Oduru Babu Reddy Chief Financial Officer	Sd/- Tummala Gopichand Vice Chairman & Managing Director
Place : Hyderabad		

Annexure - I

**DECLARATION BY THE MANAGING DIRECTOR**  
**UNDER PART D OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015**

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I here by confirm that all the Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2021.

Place: Hyderabad	For Tera Software Limited
Date: 10.06.2021	Sd/- Tummala Gopichand Vice Chairman & Managing Director



## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Tera Software Limited

1. Based on our physical examination of records of the company and shared to us via Email pertaining to the compliance of conditions of Corporate Governance by Tera Software Limited ("the Company") for the year ended 31st March, 2021, as stipulated in Regulation 15(2), 17-27 and applicable clauses, schedules to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2020 to 31st March, 2021.

### 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.

### Opinion

4. In our opinion and to the best of our information and according to the explanation given to us by the directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing regulations during the year ended 31st March, 2021.
5. 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.

Place: Hyderabad  
Date: 10.06.2021

For Mullapudi & Co.,  
Chartered Accountants  
Firm Reg. No: 006707S  
Sd/-  
CA B. Krishna Sivaram Apparao  
Partner  
Membership No: 226476  
UDIN:21226476AAAADF6861

## INDEPENDENT AUDITOR'S REPORT

To the Members of **TERA SOFTWARE LIMITED**

### Report on the Audit of Ind AS Financial Statements

#### Opinion

We have audited the financial statements of Tera Software Limited ("the Company"), which comprise the Balance Sheet, as at March 31, 2021, the statement of profit and loss (Including Other Comprehensive Income), the Statement of Changes in Equity, the statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1.	<p>Provision for impairment loss in accounts receivables.</p> <p>The credit loss provision in respect of Account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date.</p> <p>We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows</p>	<p>Our audit procedure in respect of this area included:</p> <ul style="list-style-type: none"> <li>Understand and assess the management's estimate and related policies used in the credit loss analysis.</li> <li>Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions.</li> <li>Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy.</li> <li>For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period.</li> <li>Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices).</li> <li>Verified the calculation of ECL of each type of trade receivables according to the provision matrix.</li> </ul>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our Auditor's report thereon.

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

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

## Management's Responsibility for the Financial Statements

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

In preparing the financial statements, the Board of

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless

law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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 (including Other Comprehensive Income), the Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Financial statements 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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". Our Report expresses an Unmodified opinion on the adequacy and operating effectiveness of the company internal financial controls over financial Reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 litigations on its financial position in its financial statements.
- 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**  
**UDIN: 21226476AAAADE2700**

**Place: Hyderabad**  
**Date: 10.06.2021**

**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. According to the information and explanations given to us 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 during the year and does not have unclaimed deposits at the year end. Hence the provisions of clause 3(v) of the CARO are not applicable to the company.
- 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, Customs duty, GST and any other material statutory dues as applicable to it except in case of GST of Rs. Crores.9.22 Crores



Nature of Dues	Amount	Period to which the amount relates
GST Due	3.06 Crores	2019-20
GST Due	6.15 Crores	2020-21

(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 31/03/2021 for a period

more than 6 months from the day they became payable.

(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 Rules, 2005	Value Added Tax	84,16,222	2005-06	Kerala VAT AT
2	The Kerala VAT Rules, 2005	Value Added Tax	61,50,240	2006-07	Kerala VAT AT
3	The Kerala VAT Rules, 2005	Value Added Tax	7,42,446	2007-08	Kerala VAT AT
4	The Kerala VAT Rules, 2005	Value Added Tax	8,52,280	2008-09	Kerala VAT AT
5	The Kerala VAT Rules, 2005	Value Added Tax	4,66,474	2009-10	Kerala VAT AT
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 (April to Sep)	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 AP VAT	Value Added Tax & Penalty	21,45,089	2016-17 & 2017-18 (Till June-18)	Refer Note -1
11	The Finance Act 1994	Service Tax	3,99,98,766	2011-12	CESTSAT- Hyderabad
12	The Finance Act 1994	Penalty On Service Tax	4,00,08,766	2011-12	CESTSAT- Hyderabad
13	The Finance Act 1994	Service Tax	15,40,170	2008-09 to 2012-13	CESTSAT- Hyderabad
14	The Finance Act 1994	Penalty On Service Tax	15,50,170	2008-09 to 2012-13	CESTSAT- Hyderabad
15	The AP VAT	Value Added Tax & Penalty	6,97,000	2014-15	Refer Note -1
16	GST	GST & Interest	73,36,942	March, April & May-2020	Writ petition filed with High Court of Andhra Pradesh.
17	GST	GST & Interest	359,94,258	June-20 to February-2021	Refer Note -2

Note 1: The appeal corresponding to this disputed demand is yet to be filed before VAT Appellate Tribunal, Andhra Pradesh. The time limit to file the said appeal is extended in lieu of Covid -19 Pandemic.

Note 2: The appeal corresponding to this disputed demand is yet to be filed before VAT Appellate Tribunal, Andhra Pradesh / Appellate Deputy Commissioner Tirupati. The time limit to file the said appeal is extended in lieu of Covid-19 Pandemic.

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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.

xv. 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.

xvi. 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/-**

**Date: 10.06.2021**  
**Place: Hyderabad**

**CA B Krishna Sivaram Apparao**  
**Partner**  
**Membership No: 226476**  
**UDIN: 21226476AAAADE2700**

#### **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 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mullapudi & Co.,**  
**Chartered Accountants**  
**Firm Regn. No: 006707S**  
**Sd/-**

**Date: 10.06.2021**  
**Place: Hyderabad**

**CA B Krishna Sivaram Apparao**  
**Partner**  
**Membership No: 226476**  
**UDIN: 21226476AAAADE2700**

## BALANCE SHEET AS AT 31 MARCH 2021

Rupees in Lakhs

Particulars	Note No	As At 31-Mar-21	As At 31-Mar-20
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(i) Property, Plant & Equipment	1	3,052.45	3,117.10
(ii) Financial Assets			
(a) Other Financial Assets	2	251.61	223.73
(iii) Deferred tax Asset (net)	3	332.62	259.71
(iv) Other non current assets	4	161.02	306.72
<b>Total non-current assets</b>		<b>3,797.70</b>	<b>3,907.26</b>
<b>2. Current assets</b>			
(i) Inventories	5	273.99	406.89
(ii) Financial Assets			
(a) Trade receivables	6	19,716.89	16,832.42
(b) Cash and Cash Equivalents	7	1,377.36	1,586.03
(c) Other financial assets	8	2,723.34	7,007.09
(iii) Other current assets	9	1,954.93	1,714.14
<b>Total current assets</b>		<b>26,046.51</b>	<b>27,546.57</b>
<b>TOTAL</b>		<b>29,844.21</b>	<b>31,453.83</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>A Equity</b>			
(a) Equity Share Capital	10	1,251.19	1,251.19
(b) Other Equity	11	9,613.73	9,631.11
<b>Total Equity</b>		<b>10,864.92</b>	<b>10,882.30</b>
<b>B Liabilities</b>			
<b>1. Non-current liabilities</b>			
(i) Financial liabilities			
(a) Borrowings	12	348.88	151.81
(ii) Provisions	13	161.53	177.21
<b>Total non-current liabilities</b>		<b>510.41</b>	<b>329.02</b>
<b>2. Current liabilities</b>			
(i) Financial liabilities			
(a) Borrowings	14	5,112.58	2,795.95
(b) Trade payables	15		
Total Outstanding dues to Micro enterprises and small enterprises		353.77	492.20
Total Outstanding dues to creditors other than Micro enterprises and small enterprises		10,279.91	15,076.52
(c) Other financial liabilities	16	1,402.40	954.07
(ii) Other current liabilities	17	1,201.31	761.15
(iii) Provisions	18	118.91	162.62
<b>Total current liabilities</b>		<b>18,468.88</b>	<b>20,242.51</b>
<b>Total</b>		<b>29,844.21</b>	<b>31,453.83</b>

Significant accounting policies and explanatory notes are an integral part of the financial statements

Sd/-  
For Mullapudi & Co.,  
Chartered Accountants  
Firm Regn. No 006707S

Sd/-  
T.Pavana Devi  
Director  
DIN 00107698

Sd/-  
T.Gopichand  
Vice Chairman & Managing Director  
DIN 00107886

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

Sd/-  
Oduru Babu Reddy  
Chief Financial Officer

Sd/-  
Ch Mallikarjuna  
Company Secretary

Place: Hyderabad  
Date: 10.06.2021

**STATEMENT OF PROFIT AND LOSS**  
For the year ended 31st March 2021

**Rupees in Lakhs**

Particulars		Note No	Year Ended 31-Mar-21	Year Ended 31-Mar-20
	<b>Income</b>			
I	Revenue from operations	19	16,072.23	26,897.37
II	Other income	20	321.31	301.57
	<b>Total Income (I+II)</b>		<b>16,393.54</b>	<b>27,198.94</b>
	<b>Expenses</b>			
	Purchases	21	55.40	252.55
	Change in inventories	22	132.90	656.55
	Technical & Operation expense	23	12,389.16	19,391.87
	Employee benefit expenses	24	2,178.54	3,417.44
	Finance costs	25	849.28	927.38
	Depreciation and amortization expenses	1	60.46	80.60
	Other expenses	26	575.08	1,486.05
	<b>Total Expense</b>		<b>16,240.82</b>	<b>26,212.44</b>
IV	<b>Profit / (Loss) before Exceptional items and tax (I-IV)</b>		152.72	986.50
V	<b>Exceptional items</b>		-	-
VI	<b>Profit/(Loss) before tax (IV-V)</b>		<b>152.72</b>	<b>986.50</b>
VII	<b>Tax expense</b>			
	1) Current tax		116.83	352.91
	2) Earlier years Taxes		-	-
	3) Deferred tax (Net)		(48.41)	(18.88)
VIII	<b>Profit/(Loss) for the period from continuing operations (VI - VII)</b>		<b>84.30</b>	<b>652.47</b>
IX	<b>Other Comprehensive income</b>			
	A (i) Items that will not be reclassified to Profit or Loss		-	-
	(II) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Add: B (i) Items that will be reclassified to Profit or Loss		(97.39)	(23.02)
	Less: (ii) Income tax relating to items that will be reclassified to profit or loss		(24.51)	(5.79)
X	<b>Total Comprehensive income for the period (VIII+IX) (Comprising Profit /(Loss) and Other Comprehensive income for the period</b>		<b>11.42</b>	<b>635.24</b>
XI	<b>Earnings per equity share Rs10/- (for continuing operations)</b>			
	1) Basic		0.67	5.21
	2) Diluted		0.67	5.21

Significant accounting policies and explanatory notes are an integral part of the financial statements

Sd/-  
For Mullapudi & Co.,  
Chartered Accountants  
Firm Regn. No 006707S

Sd/-  
T.Pavana Devi  
Director  
DIN 00107698

Sd/-  
T.Gopichand  
Vice Chairman & Managing Director  
DIN 00107886

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

Sd/-  
Oduru Babu Reddy  
Chief Financial Officer

Sd/-  
Ch Mallikarjuna  
Company Secretary

Place: Hyderabad  
Date: 10.06.2021

## CASH FLOW STATEMENT

For the year ended 31st March 2021

Rupees in Lakhs

Particulars	2020-21	2019-20
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax as per Profit & Loss Statement	152.72	986.51
<b>Adjustments for:</b>		
Depreciation and amortisation	60.46	80.60
Sundry Credit Balances Written Back	482.98	394.27
Interest Income	(112.34)	(107.63)
Bad Debts Written Off	172.41	863.26
Finance Cost	(849.28)	(927.38)
Sundry Balances Written back	(3.71)	- - -
Interest on MSME	(23.44)	- - -
<b>Changes in Assets and Liabilities</b>		
Trade receivables	(3,056.88)	(4,131.15)
Other Financial Assets and Other Assets	4,254.21	(6,907.73)
Other Non Current Assets	145.70	(12.34)
Other Current Assets	(240.79)	(773.67)
Inventories	132.90	656.55
Trade Payables	(5,418.02)	11,213.12
Long Term Provisions	(15.68)	51.05
Other Current Liabilities	440.16	408.16
Short Term Provisions	(43.71)	10.96
Other Financial Liabilities	448.33	(48.21)
<b>Cash generated from operations</b>	<b>(3,473.98)</b>	<b>1,756.37</b>
Income tax paid	(214.21)	(375.95)
<b>Net cash flow from operating activities (A)</b>	<b>(3,688.19)</b>	<b>1,380.42</b>
<b>B. Cash flow from investing activities</b>		
Property, Plant & Equipment	4.19	(27.27)
Interest Income	112.34	107.63
<b>Net cash flow from Investing activities (B)</b>	<b>116.53</b>	<b>80.36</b>
<b>C. Cash flow from financing activities</b>		
Short Term Borrowings(Net)	2,316.63	(2,158.28)
Long Term Borrowings	197.07	49.44
Interest Paid	849.28	927.38
<b>Net cash flow from Financing activities (C)</b>	<b>3,362.98</b>	<b>(1,181.46)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>(208.68)</b>	<b>279.32</b>
Opening balance of Cash and cash equivalents	1,586.05	1,306.73
<b>Closing balance of Cash and cash equivalents</b>	<b>1,377.37</b>	<b>1,586.05</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	15.37	12.57
<b>Balances with Banks</b>		
-On Current Accounts	76.22	56.54
-On Deposit Accounts	1,285.78	1,516.94
<b>Cash and cash Equivalents as per Note 7</b>	<b>1,377.37</b>	<b>1,586.05</b>

Significant accounting policies and explanatory notes are an integral part of the financial statements

Sd/-  
For Mullapudi & Co.,  
Chartered Accountants  
Firm Regn. No 0067075

Sd/-  
T.Pavana Devi  
Director  
DIN 00107698

Sd/-  
T.Gopichand  
Vice Chairman & Managing Director  
DIN 00107886

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

Sd/-  
Oduru Babu Reddy  
Chief Financial Officer

Sd/-  
Ch Mallikarjuna  
Company Secretary

Place: Hyderabad  
Date: 10.06.2021



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

Rupees in Lakhs

Particulars	No. of Shares	Amount
Equity Shares of Rs 10/- each issued, Subscribed and Fully paid		
Balance as at April, 1 2019	125.12	1,251.19
Add/ Less Changes in Equity share capital during the year	---	---
Balance as at March 31, 2020	125.12	1,251.19
Add/ Less Changes in Equity share capital during the year	---	---
Balance as at March 31, 2021	125.12	1,251.19

Particulars	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Opening Balance as of April, 1 2019	851.00	3,834.76	4,310.11	---	8,995.87
Add Profit for the year	---	---	652.47	---	652.47
Less: Dividend on Equity Shares	---	---	---	---	---
Less Tax on Dividend	---	---	---	---	---
Add Other Comprehensive Income/ (Loss) for the year	---	---	---	(17.23)	(17.23)
Closing Balance as of March 31, 2020	851.00	3,834.76	4,962.58	(17.23)	9,631.11
Add Profit for the year	---	---	84.30	---	84.30
Less CSR Expenditure	---	---	(28.80)	---	(28.80)
Add Other Comprehensive Income/ (Loss) for the year	---	---	---	(72.88)	(72.88)
Closing Balance as of March 31, 2021	851.00	3,834.76	5,018.08	(90.11)	9,613.73

**Significant accounting policies and explanatory notes are an integral part of the financial statements**

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

**Sd/-**  
**T.Pavana Devi**  
**Director**  
**DIN 00107698**

**Sd/-**  
**T.Gopichand**  
**Vice Chairman & Managing Director**  
**DIN 00107886**

**Sd/-**  
**CA B.Krishna Sivaram Apparao**  
**Partner**  
**Membership No 226476**

**Sd/-**  
**Oduru Babu Reddy**  
**Chief Financial Officer**

**Sd/-**  
**Ch Mallikarjuna**  
**Company Secretary**

Place: Hyderabad  
Date: 10.06.2021

## 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 of the company for the year ended March 31, 2021 and year ended March 31, 2020 are prepared in compliance with Ind AS.

### 2. Basis of accounting

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on 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.

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

The company accounts and recognizes contract with a customer only when the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) The entity can identify each party's rights regarding the goods or services to be transferred;
- (c) The entity can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- (e) It is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the company

considers only the customer's ability and intention to pay that amount of consideration when it is due.

The amount of consideration to which the company will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

At contract inception, the company shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

a good or service (or a bundle of goods or services) that is distinct; or

a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The company shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset.

When a performance obligation is satisfied, the company shall recognize as revenue the amount of the transaction price that is allocated to that performance obligation. Determining the transaction price, the company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

## 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 recognized 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 recognized at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy.

PPE not ready for the intended uses on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognized 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 derecognized 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 recognized 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 recognized 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 recognizes 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. Re-measurement, 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 recognized in other comprehensive income in the period in which they occur. Re measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized 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 capitalized at the commence-

ment 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 recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized 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 recognized on a straight line basis over the term of the relevant lease.

**13. Financial Instruments**

Financial assets and/or financial liabilities are recognized 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 recognized immediately in profit or loss.

**13.1 Financial assets**

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 recognized 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 recognized in profit or loss and changes in fair value (other than on account of such income) are recognized 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 derecognized 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 de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in profit or loss.

- C. Impairment of financial assets: The Company recognizes 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.

### 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 is 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 recognized at inception net of cumulative amortization, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method.

Financial liability is derecognized 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 Cost and net realizable value. However, these items are considered to be realizable 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 Cost and net realizable value. Cost includes related overheads and GST paid/payable on such goods.

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

#### 19. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- 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 are 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.

### **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/ amortization 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 / amortization 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**

Judgments 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 realizable 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.

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**
**1. PROPERTY, PLANT AND EQUIPMENT**

Rupees in Lakhs

Particulars	Gross Block				Depreciation			Net Block	
	As at 01-Apr-20	Additions during the year	Deletions during the year	Upto 31-Mar-21	As at 01-Apr-20	For the Year	Deletions during the year	Upto 31-Mar-21	As at 31-Mar-21
<b>i. TANGIBLE</b>									
Land	2,536.95	-	-	2,536.95	-	-	-	-	2,536.95
Buildings	558.09	-	-	558.09	98.86	10.25	-	109.11	448.98
Plant and Equipment	5,461.47	0.54	-	5,462.02	5,439.29	12.65	-	5,451.94	22.19
Furniture and Fixtures	247.30	-	-	247.30	220.85	13.25	-	234.10	26.45
Vehicles	111.63	-	11.84	99.79	74.41	9.54	7.10	76.85	37.22
Office equipment	29.16	-	-	29.16	24.93	1.46	-	26.38	4.24
Electrical & Fixtures:	254.46	-	-	254.46	223.62	13.30	-	236.93	30.83
Capital Assets on Projects Division	1,082.88	-	-	1,082.88	1,082.88	-	-	1,082.88	-
<b>Total</b>	<b>10,281.94</b>	<b>0.54</b>	<b>11.84</b>	<b>10,270.64</b>	<b>7,164.84</b>	<b>60.46</b>	<b>7.10</b>	<b>7,218.20</b>	<b>3,052.45</b>
<b>*Previous Year</b>	<b>10,254.67</b>	<b>27.27</b>	<b>-</b>	<b>10,281.94</b>	<b>7,084.24</b>	<b>80.60</b>	<b>-</b>	<b>7,164.84</b>	<b>3,117.10</b>

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

Rupees in Lakhs

	Particulars	As at 31-Mar-21	As at 31-Mar-20
	<b>FINANCIAL ASSETS</b>		
<b>2</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Security and other Deposits	251.61	223.73
	<b>Total</b>	<b>251.61</b>	<b>223.73</b>
<b>3</b>	<b>Deferred tax Asset (net)</b>		
	On account of Fixed Assets	32.21	40.52
	On account of Income tax disallowances	300.41	219.19
	<b>Total</b>	<b>332.62</b>	<b>259.71</b>
<b>4</b>	<b>OTHER NON CURRENT ASSETS</b>		
	(Unsecured, Considered good)		
	Bank deposits maturity of more than 12 months	161.02	306.72
	<b>Total</b>	<b>161.02</b>	<b>306.72</b>
<b>5</b>	<b>INVENTORIES</b>		
	(a) Trading Goods	160.51	257.72
	(b) Consumables	113.48	149.17
	(C) Work-in-progress	---	---
	<b>Total</b>	<b>273.99</b>	<b>406.89</b>
<b>6</b>	<b>Trade receivables</b>		
	a) Considered Good - Secured		
	b) Considered Good - Unsecured	20,349.66	17,261.60
	c) Trade Receivables which have significant increase in credit risk		
	d) Trade Receivables credit Impaired		
	Less: Credit Loss Allowance	(632.77)	(429.18)
	<b>Total</b>	<b>19,716.89</b>	<b>16,832.42</b>
<b>7</b>	<b>Cash and Cash Equivalents</b>		
	(i) Cash on hand	15.36	12.55
	<b>(ii) Balances with Banks</b>		
	In current accounts	70.69	49.50
	In Dividend account	5.53	7.04
	In Marging Money Deposits	1,285.78	1,516.94
	<b>Total</b>	<b>1,377.36</b>	<b>1,586.03</b>
<b>8</b>	<b>Other financial assets</b>		
	Accrued Interest	32.27	56.87
	Unbilled Revenue	2,691.07	6,950.22
	<b>Total</b>	<b>2,723.34</b>	<b>7,007.09</b>
<b>9</b>	<b>OTHER CURRENT ASSETS</b>		
	(Unsecured and considered good)		
	(a) Advance to Suppliers / Service Providers	604.19	333.74
	(b) Staff Advances	1.62	1.69
	(c) Advance for Expenses	23.12	19.59
	(d) Prepaid expense	128.48	136.17
	(e) Balances with government authorities	769.13	1,222.95
	(f) BG Claim Under Protest	428.39	-
	<b>Total</b>	<b>1,954.93</b>	<b>1,714.14</b>

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

Rupees in Lakhs

10	Share capital	As at 31-03-2021		As at 31-03-2020	
		Number of shares	Amount	Number of shares	Amount
	Particulars				
	<b>AUTHORISED</b>	250.00	2,500.00	250.00	2,500.00
	Equity Shares of Rs 10/- each				
	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>	125.12	1,251.19	125.12	1,251.19
	Equity shares of Rs 10/- each				
	<b>Total</b>	<b>125.12</b>	<b>1,251.19</b>	<b>125.12</b>	<b>1,251.19</b>

10.1	Details of Shareholders holding more than 5% of total number of shares	As at 31-Mar-21		As at 31-Mar-20	
		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
	Name of the Shareholder				
	Tummala Gopichand	11.97	9.56%	23.97	19.15%
	Tummala Pavana Devi	5.75	4.59%	11.75	9.39%
	Tummala madhu Mitra	8.41	6.72%	8.41	6.72%
	Tummala Rajasekhar	28.25	22.58%	10.25	8.19%

10.2	Reconciliation of number of shares	As at 31-Mar-21		As at 31-Mar-20	
		No of shares	Rs In Lakhs	No of shares	Rs In Lakhs
	Name of the Shareholder				
	Shares outstanding at the beginning of the year	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
	Less: Shares bought back during the year	---	---	---	---
		125.12	1,251.19	125.12	1,251.19

The Company has only one class of equity shares having face value of ` 10 each and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.



**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

Rupees in Lakhs

11	OTHER EQUITY		
	Particulars	As at 31-03-2021	As at 31-03-2020
	<b><u>Securities Premium</u></b>		
	Figures as at the end of the previous reporting period	851.00	851.00
	Additions	---	---
	Deductions	---	---
	Figures as at the end of current reporting period	<b>851.00</b>	<b>851.00</b>
	<b><u>General Reserve</u></b>		
	Figures as at the end of the previous reporting period	3,834.76	3,834.76
	Additions	---	---
	Deductions	---	---
	Figures as at the end of current reporting period	<b>3,834.76</b>	<b>3,834.76</b>
	<b><u>Retained Earnings</u></b>		
	Figures as at the end of the previous reporting period	4,962.58	4,310.11
	CSR Expenditure	(28.80)	---
	Add: Profit for the year / period	84.30	652.47
	Figures as at the end of current reporting period	<b>5,018.08</b>	<b>4,962.58</b>
	Other Comprehensive Income/(loss)Net of Tax at the end of the previous reporting period	<b>(17.23)</b>	---
	Other Comprehensive Income / (loss) Net of Tax	(72.88)	(17.23)
		<b>(90.11)</b>	<b>(17.23)</b>
	<b>Total of Reserves and Surplus</b>	<b>9,613.73</b>	<b>9,631.11</b>

**NATURE OF RESERVES**

- i General Reserves - Company's cumulative earnings since its formation less distribution
- ii Security Premium - represents the premium received on issue of equity shares
- iii The reserves are utilised in accordance with the provisions of Companies Act, 2013

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

Rupees in Lakhs

	Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>12</b>	<b>Long term borrowings</b>		
	Term loans		
	From Banks	5.79	10.32
	From Directors	343.09	141.49
	<b>Total</b>	<b>348.88</b>	<b>151.81</b>

12.1 Loans from Promoter Director, Mr. T. Gopichand and T.Pavana Devi carry interest @ 12% p.a.

12.2 Term Loan from bank includes a car loan availed from Bank of Maharashtra and the vehicle is hypothecated as security.

	Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>13</b>	<b>Long term provisions</b>		
	<b>Provision for employee benefits:</b>		
	Gratuity	161.53	177.21
	<b>Total</b>	<b>161.53</b>	<b>177.21</b>
<b>14</b>	<b>Short term borrowings</b>		
	<b>- Secured</b>		
	(a) Loans repayable on demand from banks	1.24	2.73
	(b) Cash credit	4,875.53	2,658.47
	<b>- Unsecured</b>		
	(a) Loans repayable on demand from Others	235.81	134.75
	<b>Total</b>	<b>5,112.58</b>	<b>2,795.95</b>

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

(a) 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.

(b) Hypothecation/First Charge on all unencumbered fixed Assets of the company both present and future

(c) Equitable Mortgage of Land & Buildings in the name of the company

(d) Counter Guarantee of the company and Personal guarantee of its directors and extension of First Charge on the Current assets

14.2 Vendor Finance bills of Rs.500 lakhs has been availed from the South Indian Bank Ltd against bills and 10 % Cash margin with usance period of 90 days @ 10.50% Interest p.a. Subsequently Bills raised to the Client was rejected.

14.3 Secured Purchase Finance of Rs. 240 lakhs availed from OXYZO financial services Pvt Ltd against bank guarantee @15% interest p.a.

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

Rupees in Lakhs

	Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>15</b>	<b>Trade Payables</b>		
	- Total Outstanding dues to Micro enterprises and small enterprises	353.77	492.20
	- Total Outstanding dues to creditors other than Micro enterprises and small enterprises	10,279.91	15,076.52
	<b>Total</b>	<b>10,633.68</b>	<b>15,568.72</b>
<b>16</b>	<b>Other financial liabilities</b>		
	Retention money	409.06	112.22
	Unpaid Dividend	5.53	7.04
	Other Payables	987.81	834.81
	<b>Total</b>	<b>1,402.40</b>	<b>954.07</b>
<b>17</b>	<b>Other current liabilities</b>		
	Advance from customers / Mobilisation advances	---	---
	Statutory dues	1,019.49	413.51
	Other payables*	181.82	347.64
	<b>Total</b>	<b>1,201.31</b>	<b>761.15</b>
<b>18</b>	<b>Short-term provisions</b>		
	Provision for employee benefits:		
	Gratuity	8.59	52.30
	Provision- others:		
	- Provision for SLA's	110.32	110.32
	<b>Total</b>	<b>118.91</b>	<b>162.62</b>
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sales of Goods	58.20	361.09
	Sale of Services	15,530.86	26,050.25
	Operating Revenue	483.17	486.03
	<b>Total</b>	<b>16,072.23</b>	<b>26,897.37</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest income	112.34	107.63
	Rental Income	191.83	193.94
	Exchange Fluctuation	17.14	-
	<b>Total</b>	<b>321.31</b>	<b>301.57</b>
<b>21</b>	<b>PURCHASES</b>		
	Purchase	55.40	252.55
	<b>Total</b>	<b>55.40</b>	<b>252.55</b>

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

Rupees in Lakhs

	Particulars	As at 31-Mar-21	As at 31-Mar-20
22	<b>CHANGES IN INVENTORIES</b>		
	<b>INVENTORIES AT THE BEGNNING OF THE YEAR</b>		
	Opening Stock		
	Traded Goods	246.09	639.53
	Consumables	160.80	423.91
	Work-in-progress	---	---
	<b>Total (A)</b>	<b>406.89</b>	<b>1,063.44</b>
	<b>INVENTORIES AT THE END OF THE YEAR</b>		
	<b>Closing Stock</b>		
	Traded Goods	160.51	257.72
	Consumables	113.48	149.17
	Work-in-progress	---	---
	<b>Total (B)</b>	<b>273.99</b>	<b>406.89</b>
	<b>(Increase) / Decrease in Stocks (A) - (B)</b>	<b>132.90</b>	<b>656.55</b>
23	<b>TECHNICAL &amp; OPERATION EXPENSES</b>		
	Power and Fuel	26.88	20.91
	Software Maintenance Charges	2.21	697.76
	Rent Charges	30.33	34.88
	Consumables	1.24	0.71
	Insurance	35.91	20.82
	Repairs & Maintenance	40.15	45.22
	Transport Charges	29.53	25.02
	Exchange Fluctuation Others	---	55.68
	Subcontract & Other Work Charges	12,222.91	18,490.87
	<b>Total</b>	<b>12,389.16</b>	<b>19,391.87</b>
24	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salaries, Wages and other benefits	2,016.12	3,143.32
	Contribution to Provident Fund & other Funds	160.89	267.08
	Staff Welfare Expense	1.53	7.04
	<b>Total</b>	<b>2,178.54</b>	<b>3,417.44</b>
25	<b>FINANCE COST</b>		
	Interest	611.33	702.59
	Other borrowing cost	237.95	224.79
	<b>Total</b>	<b>849.28</b>	<b>927.38</b>

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

Rupees in Lakhs

	Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
<b>26</b>	<b>OTHER EXPENSES</b>		
	Rates and Taxes	37.79	11.83
	Office Maintenance	7.50	15.43
	Communication Expense	7.09	7.92
	Conveyance Expense	1.78	2.54
	Travelling, Boarding & Lodging Expense	18.45	62.67
	Printing and Stationery	1.47	2.99
	Professional & Consultancy Expense	51.57	37.01
	Security Charges	1.28	2.93
	Directors' sitting fee	5.06	4.56
	Advertisement Expense	0.95	1.15
	Advances Written Off	---	78.04
	Bad Debts Written off	172.41	863.26
	Business Promotion	7.59	4.85
	Bank Charges and Others	2.97	1.02
	CSR Expenditure	11.65	---
	Interest on late payment on GST / Service Tax	3.81	9.27
	Expected Credit Loss	203.59	282.34
	Repairs & Maintenance-Buildings	2.43	63.50
	Miscellaneous Expense	23.69	22.74
	<b>Payment to Auditors</b>		
	Statutory Audit fee	9.00	9.00
	Tax Audit Fee	3.00	3.00
	Other Services	2.00	---
	<b>Total</b>	<b>575.08</b>	<b>1,486.05</b>

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

## 27. Contingent Liabilities and Commitments not provided for

Rupees in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(A) Contingent Liability</b>		
<i>(a) Matters under litigation</i>		
Claims against the company not acknowledged as debt		
Bank Guarantee invoked by Andhra Pradesh State Fiber net Limited for which the Company has challenged the invocation with the High Court of Andhra Pradesh **	428.38	Nil
<b>Service Tax / GST</b>		
Disputed Service Tax Liability for which the company has filed an appeal with CESTAT-Hyderabad	830.97	830.97
<b>Sales tax/VAT</b>		
Disputed VAT liability for which the company has filed an appeal with Hon'ble Kerala Value Added Tax Appellate Tribunal, Kozhikode, Kerala.	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
Orders issued by Appellate Deputy Commissioner (CT), Tirupathi : Disputed VAT liability for which the company has to file an appeal with AP VAT Appellate Tribunal-Visakhapatnam.	21.45	21.45
Orders issued by Deputy Commissioner (CT), Guntur Division : Disputed VAT liability for which the company has to file an appeal with AP VAT Appellate Tribunal-Visakhapatnam.	6.97	Nil
Orders issued by GST Department: Disputed GST Liability including interest for which Writ petition filed with High Court of Andhra Pradesh	73.36	Nil
Orders issued by GST Department: Disputed GST Liability including interest for which Writ petition to be filed with High Court of Andhra Pradesh / Appellate Deputy Commissioner, Tirupathi	359.94	Nil
<i>(b) 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
<i>(c) Guarantees</i>		
Bank Guarantees and Letters of credit issued by banks on behalf of Company	9,352.75	10,469.17
<b>(B) Commitments</b>	NIL	NIL

\*\* Bank guarantee invoked by "Andhra Pradesh State Fiber net limited" of Rs.428.38 Lakhs. The said action was challenged by the company before the division bench of Andhra Pradesh High Court, Amaravathi, which is pending. Based on the legal opinion given by the counsel, the company has not made any provision in its books of accounts.



## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

### 28. Employee Benefits

The Liability for Gratuity has been determined by an actuary in conformity with the principle set out in Accounting Standard Ind AS - 19 (Revised) the details of which are as under:

Description	2020-21	2019-20
	(Rs in lakh)	(Rs in lakh)
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at the beginning of the year	229.52	167.51
b. Current Service Cost	17.53	26.68
c. Interest Cost	15.61	12.82
d. Actuarial (Gain)/Loss	97.39	23.02
e. Past services cost	-	-
f. Benefits Paid	(189.92)	(0.51)
g. Obligation as at the end of the year	170.12	229.52
<b>2. Expense recognized in the period</b>		
a. Current Service Cost	17.53	26.68
b. Interest Cost	15.61	12.82
c. Actuarial(Gain)/Loss	0.00	0.00
d. Past service cost	0.00	0.00
e. Expense recognized during the year	130.53	65.52
<b>3. Assumptions</b>	%	%
a. Discount Rate (per annum) as at the end of the year	6.80	6.80
b. Salary Rise	2.00	2.00
c. Attrition Rate	5.00	1.00

### 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-21 (Ind AS-19)		31-Mar-20 (Ind AS-19)	
Defined Benefit Obligation (Base)	1,70,11,942		2,29,51,654	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,81,49,178	1,60,14,708	2,53,23,840	2,09,55,397
(% change compared to base due to sensitivity)	6.68	-5.86	10.34	-8.70
Salary Growth Rate (- / + 1%)	1,48,81,079	1,95,98,538	2,02,35,977	2,62,35,969
(% change compared to base due to sensitivity)	-12.53	15.20	-11.83	14.31
Attrition Rate (- / + 1%)	1,23,30,874	1,45,04,887	2,06,96,337	2,49,62,769
(% change compared to base due to sensitivity)	-27.52	-14.74	-9.83	8.76
Mortality Rate (- / + 10%)	1,69,92,097	1,70,31,766	2,28,92,895	2,30,10,232
(% change compared to base due to sensitivity)	-0.12	0.12	-0.26	0.26

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

### 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, 2021 and 2020

(Rupees in Lakhs)

	Integrated Solutions	Technical Division	Projects Division	Others	Unallocable	Total
Revenues	<b>58.20</b>	<b>1,699.09</b>	<b>14,314.94</b>	-	-	<b>16,072.23</b>
	361.09	2,422.45	24,113.83	-	-	26,897.37
Identified operating expenses	<b>188.01</b>	<b>1,503.48</b>	<b>12,629.12</b>	-	-	<b>14,320.61</b>
	434.86	2,131.18	21,299.37	-	-	23,865.41
Allocated Expenses	--	--	<b>317.62</b>	-	-	<b>317.62</b>
	--	--	406.23	-	-	406.23
Segmental operating income	<b>(129.81)</b>	<b>195.61</b>	<b>1,368.20</b>	-	-	<b>1,434.00</b>
	(73.77)	291.27	2,408.23	-	-	2,625.73
Unallocable expenses					<b>753.31</b>	<b>753.31</b>
					1,013.42	1,013.42
Operating income						<b>680.69</b>
						1,612.31
Other income/(expenses), net					<b>208.97</b>	<b>208.97</b>
					193.94	193.94
Net profit before Interest						<b>889.66</b>
						1,806.25
(Less): Interest Expenses					<b>849.28</b>	<b>849.28</b>
					927.38	927.38
Add: Interest Income					<b>112.34</b>	<b>112.34</b>
					107.63	107.63
Net profit before taxes						<b>152.72</b>
						986.50
Income Taxes						<b>141.30</b>
						351.26

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**

Rupees in Lakhs

	Integrated Solutions	Technical Division	Projects Division	Others	Unallo-cable	Total
<b>Net Profit after taxes</b>						<b>11.42</b>
						635.24
Other Information						
Segment Assets	<b>553.72</b>	<b>732.03</b>	<b>22,834.93</b>		<b>5,706.92</b>	<b>29,827.60</b>
	657.13	1,347.49	22,935.13		6,559.25	31,499.01
Segment Liabilities	<b>862.77</b>	<b>808.99</b>	<b>9,821.74</b>		<b>18,334.10</b>	<b>29,827.60</b>
	858.91	1,125.69	13,775.98		15,738.43	31,499.01
Capital Expenditure	--	--	<b>0.54</b>		--	<b>0.54</b>
	--	--	11.25		16.02	27.27
Depreciation	--	--	<b>4.59</b>		<b>55.87</b>	<b>60.46</b>
	--	--	25.68		54.92	80.60

**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 are given below:

**a) Name of Related Parties, relationship**

Party Name	Relation	Transactions Entered During the Period YES/NO
Mr. T. Gopichand	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
Mr.Oduru Babu Reddy	Chief Financial Officer	Yes
Mr. Ch Mallikarjuna	Company Secretary (w.e.f. 10 February 2021)	Yes
Ms. Shabnam Siddiqui	Company Secretary	Yes

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021**  
**Transactions with Related parties:**

Name of the related party	Mr. T. Gopichand	Mrs. T. Pavana Devi	Mr. T. Bapaiah Chowdary	Mr. T. Madhu Mitra Mrs. T. Vindhya & Mr. T. Girish
<b>Description of the nature of transactions</b>	a) Remuneration b) Unsecured Loan Received c) Interest on unsecured loan	a) Sitting Fees b) Unsecured Loan Received c) Interest on Unsecured Loans	a) Sitting Fee b) Supply of Goods	Salary
<b>Volume of the transactions either as an amount or as appropriate proportion</b>	a) Managerial Remuneration of Rs. 84.00 lakhs (84.00 Lakhs) b) Unsecured Loan Received of Rs.195 Lakhs (Rs.66.00 lakhs) c) Interest on unsecured loan of Rs.19.63 Lakhs (14.20) lakh d) Loan repaid of Rs. 87.00 Lakhs (Rs.36.00 Lakhs)	a) Sitting Fee Paid Rs.0.77 lakhs. (Rs.0.57 lakh) b) Unsecured Loan Received of Rs 75.00 Lakhs (Nil) c) Interest on Unsecured Loans Rs 0.51 Lakhs (Nil)	a) Sitting Fee Paid Rs.1.14 lakhs. (Rs.0.64 lakhs) b) Total transaction value is Rs. NIL Lakhs (Rs. 31.13 Lakhs)	Salary of Rs. 10.43 lakhs, Rs. 8.84 lakhs and Rs.6.60 lakhs respectively (Rs.11.20, Rs.8.58 and 7.08 Lakhs Respectively)
<b>Any other elements of the related party transactions</b>	NIL	NIL	NIL	NIL

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

<b>The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date</b>	a) Managerial Remuneration Payable Rs. 265.76 lakhs (Rs. 216.45 lakhs) b) Unsecured Loan including interest Rs. 343.09 lakhs (Rs.141.19 lakhs)	NIL	NIL	Salary Payable of Rs.0.81 lakhs, Rs.0.69 lakhs and Rs.0.57 lakhs respectively. (Rs1.49, Rs. 1.18 and 1.14 lakhs Respectively)
<b>Provisions for doubtful debts due from such parties at that date and amounts written off or period in respect of debts due from or to related parties</b>	NIL	NIL	NIL	NIL

<b>Name of the related party</b>	Mr. Oduru Babu Reddy, CFO	Mr. Ch. Mallikarjuna, C.S.	Ms Shabnam Siddiqui, C.S.
<b>Description of the nature of transactions</b>	Salary	Salary	Salary
<b>Volume of the transactions either as an amount or as appropriate proportion</b>	Salary of Rs. 12.87 lakhs (Rs. 8.34 lakhs)	Salary of Rs. 0.60 lakhs (Rs. Nil)	Salary of Rs. 3.83 lakhs (Rs. 4.07 lakhs)
<b>The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date</b>	Salary Payable of Rs. 1.56 lakhs (Rs. 1.35 lakhs)	Salary Payable of Rs. 0.34 lakhs (Rs. Nil)	Salary Payable of Rs. 0.34 lakhs (Rs. 0.67 Lakhs)

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021****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 following table summarizes the capital of the Company:

Rs. in lakhs

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>A. Equity</b>	10,876.57	10,882.30
<b>B. Net debt</b>		
Short-term borrowings and current portion of long-term debt	5,112.58	2,795.95
Add: Long-term debt	348.88	151.81
Less: Cash and cash equivalents	91.57	69.11
<b>B. Total Net Debt</b>	5,369.89	2,878.65
<b>Total capital (A + B)</b>	<b>16,246.46</b>	<b>13,760.95</b>

- 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

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.

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, 2021 and March 31, 2020



## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

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:

Currency	Liabilities		Advances	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD	10.78 (INR 792.57)	10.78 (INR 812.85)	1.73 (INR 127.09)	1.73 (INR 130.34)

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

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2021	As at March 31, 2020
	USD	USD
2% Depreciation in INR		
Impact on P&L	(18.39)	(18.86)
<b>Total</b>	<b>(18.39)</b>	<b>(18.86)</b>
2% Appreciation in INR		
Impact on P&L	18.39	18.86
<b>Total</b>	<b>18.39</b>	<b>18.86</b>

### 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 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.

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

## 32. Other disclosure pursuant to Ind AS 107 "Financial instruments: Disclosures":

## (i) Category wise classification of applicable Financial Instruments:

Rs. in lakhs

Sl. No.	Particulars	As at March 31,2021	As at March 31,2020
	Measured at Amortised cost		
(i)	Financial Assets		
	a. Trade receivables	19,716.89	16,832.42
	b. Cash & Cash Equivalents and bank balances (Includes Margin Money Deposits)	1,377.36	1,586.03
	c. Other financial assets	2,723.34	7,007.09
	<b>Total</b>	<b>23,817.59</b>	<b>25,425.54</b>
(ii)	Financial Liabilities		
	Measured at Amortised cost		
	a. Borrowings	5,112.58	2,795.95
	b. Trade payables	10,633.68	15,568.72
	c. Other financial liabilities	1,402.40	954.07
	<b>Total</b>	<b>17,148.66</b>	<b>19,318.74</b>

## (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 31,2021			As at March 31,2020		
	Within Twelve Months	After Twelve Months	Total	Within Twelve Months	After Twelve Months	Total
Borrowings	5,112.58	-	5,112.58	2,795.95	-	2,795.95
Trade payables	10,633.68	-	16,403.54	15,568.72	-	15,568.72
Other financial liabilities	1,402.40	348.88	1,751.28	954.07	151.81	1,105.88

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

### 33. 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 Asset as at March 31, 2021 comprise of the following:

Particulars		As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>Deferred Tax Liability</b>		
1	Related to fixed assets	32.21	40.527
<b>B</b>	<b>Deferred Tax Assets</b>		
1	Disallowance under the Income tax Act, 1961	300.41	219.19
<b>C</b>	<b>Deferred tax Liability/(Asset) (net)</b>	<b>332.62</b>	<b>259.71</b>

34. In order to comply with the requirement of the Micro, Small and Medium Enterprises Development Act, 2006, Company has sought confirmation from the vendors whether they are falling in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

Rs. in lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount remaining unpaid	353.77	492.20
Delayed payments due as at the end of each accounting year on account of Principal	353.77	492.20
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	--
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	14.02	37.46
Interest accrued and remaining unpaid as at March 31	14.02	37.46
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	14.02	37.46

### 35. Corporate Social Responsibility Expenditure

Particulars	FY 2020-21	FY 2019-20
Gross Amount required to be spent during the year	11.65	12.09
Earlier Years	40.38	28.29
Amount spent during the year in Cash		
i) On Construction / acquisition of any asset	Nil	Nil
ii) On purposes other than (i) above	Nil	Nil
Unspent Amount **	52.03	40.38

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2021

\*\*Unspent amount of Rs 40.38 has been transferred to a separate bank account as per the Companies Act  
Promotion of Education Development and Rural Development projects are the identified sectors by the Company  
Contribution for construction of convention hall in Siddaganga institute of Technology ( SIT) and drainage and sewage works are the identified projects by the company.

### 36. Earnings Per Share

Particulars	FY 2020-21	FY 2019-20
Net Profit After Tax (Rs in lakhs)	11.42	635.24
Weighted Average Number of Equity shares of Rs.10 each (In lakhs)	125.12	125.12
Nominal Value of Shares	10	10
Earnings Per Share (Basic/Diluted) (In Rs.)	0.67	5.21

37. Figures for the corresponding year ended March 31, 2021, wherever necessary, have been regrouped, recast, rearranged as per the Schedule III of Companies Act, 2013.

As per our report of even date attached  
For Mullapudi & Co.,  
Chartered Accountants  
FRN: 006707S

Sd/-  
CA. B. Krishna Sivaram Apparao  
Partner  
M. No: 226476

Sd/-  
(T.Pavana Devi)  
Director  
DIN: 00107698

Sd/-  
(T.Gopichand)  
Vice chairman & Managing Director  
DIN: 00107886

Place: Hyderabad  
Date: 10.06.2021

Sd/-  
(Oduru Babu Reddy)  
Chief Financial Officer

Sd/-  
(Ch Mallikarjuna)  
Company Secretary



## TERA SOFTWARE LIMITED

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