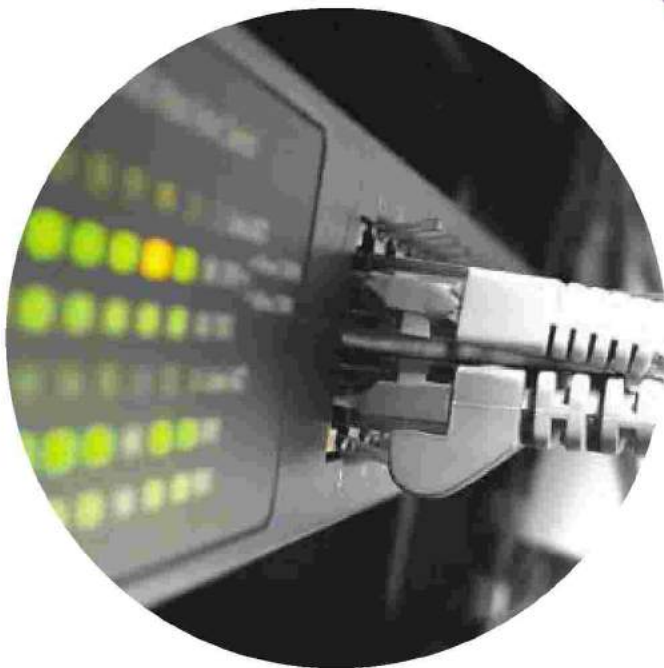


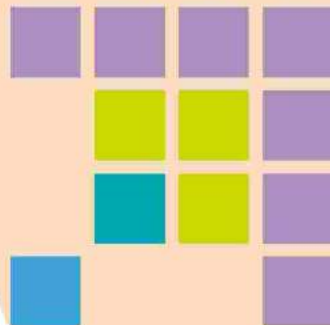


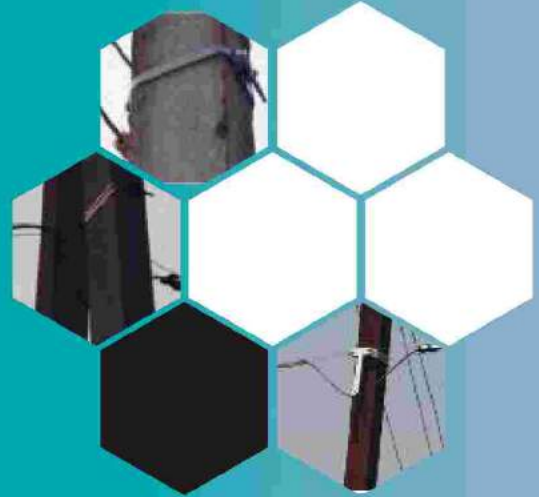
TERA SOFTWARE LIMITED

Annual Report

2018-19







Letter from the Managing Director

Dear Stakeholders,

It is my privilege to write to you on this occasion as we celebrate the 25th anniversary of TERASOFT. It is a matter of immense pride that Your Company has bagged projects worth Rs. 1200 Crores in the silver jubilee year of its life. Over the past two and half decades, your Company has emerged from each cycle of technology change - from mainframes to the digital era - stronger, with bigger footprints across markets with more capabilities, solutions and customers. We strive to create niche and set standards for technology.

With the introduction of the Digital India Mission, State Governments are opening new doors for transforming states into digital. On the supply side, the main aim is to ensure that digital facilities become available to every person in the state.

Your company operates in 22 states of India. As technology is infused into every aspect of business and society today, its power to disrupt has only magnified the process of creative destruction. Against this backdrop, your Company's strong growth and customer impact over the last five decades in a dynamic global industry to emerge as a leader in its field is a worthy achievement.

Your Company was appointed as Project Implementation Agency for Government's prestigious project Bharat-Net Phase-II works to establish Optical Fiber Network Infrastructure in the state of Andhra Pradesh.

Your Company is a "System Integrator Agency" for implementation of SMART CITY MISSION (SCM) in Davanagere for setup of Command and Control Centre /Satellite Command and Control Centre at the city level and also for the implementation of city specific applications.

The Company was L1 bidder and was selected as Project Implementation Agency under BharatNet Phase-II in the state of Odisha. We have received a work contract worth Rs. 486.39 Crores for survey, planning, design, engineering, installation & commissioning of OFC GPON network.

Your Company is an empanelled vendor with Andhra Pradesh State Fiber Net Limited (APSFL) for delivering the Last Mile Internet Services to the Government Institutions in the state of Andhra Pradesh.

Your Company executed UIDAI Project in 4 Metro Cities (Delhi, Mumbai, Kolkata, and Chennai). Your Company started Permanent Aadhaar Centres in the Country and the First Company to have started E-Aadhaar roll-outs as well as corrections/ modifications of the Aadhaar Enrolments. Tera Software is positioned 4th in the country in terms of AADHAR & NPR enrolments.

Your Company has acquired the knowledge base in delivering the triple play services, CCTV surveillance and going forward focused to bring the affordable technology to build SMART working place, SMART offices and SMART houses by deploying IOT related infrastructure.

Your Company has also integrated NPR with UIDAI and thereby had developed and generated new software called Linker Software to enable the citizens to rollout the National Identity Card in future.

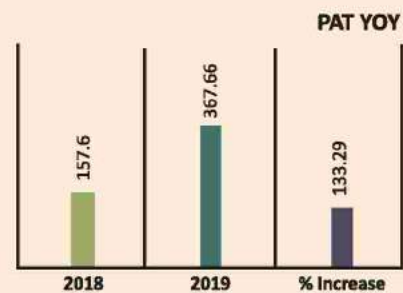
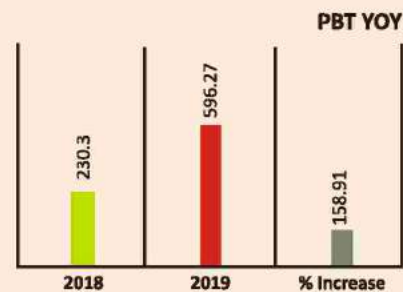
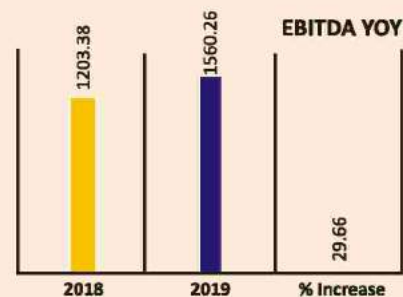
Your Company has acquired ISO 9001:2008 Certification, ISO/IEC 20000-1:2011 certification, ISO/IEC 27001:2013 certification.

Best Wishes,

T. Gopichand

Vice Chairman and Managing Director

Financial Highlights



Index



CONTENTS	Page No
Notice	1
Directors' Report	8
Management Discussion & Analysis	12
Corporate Governance Report	15
Secretarial Audit Report	27
Independent Auditors' Report	30
Balance Sheet	38
Statement of Profit & Loss	39
Cash Flow Statement	40
Significant Accounting Policies	41
Notes on Financial Statements	47
Attendance & Proxy Form	61

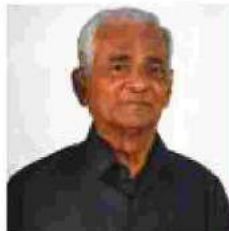
Board of Directors



Sri. Koteswara Rao SSR
Chairman



Padma Shri
Dr. T. Hanuman Chowdary
Director



Sri. R.S. Bakkannavar
Director



Sri. T. Bapaiah Chowdary
Director



Dr. T.V. Lakshmi
Director



Smt. T. Pavana Devi
Director



Sri. T. Gopichand
Vice-Chairman & Managing Director

Board of
Directors



Corporate Information

Tera Software Limited

Registered Office

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

Statutory Auditors

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

Registrar & Transfer Agents

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

Secretarial Auditors

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

Bankers

Bank of Maharashtra
Basheerbagh Branch,
Hyderabad-500029

Canara Bank

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

Company Secretary & Compliance Officer

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





BOARD AND COMMITTEES

TERA SOFTWARE LIMITED

Board of Directors

Sri. Koteswara Rao SSR
Chairman and Independent Director

Sri. T. Gopichand
Vice-Chairman & Managing Director

Padma Shri Dr. T. Hanuman Chowdary
Independent Director

Sri. R.S. Bakkannavar
Independent Director

Dr. T.V. Lakshmi
Independent Director

Sri. T. Bapaiah Chowdary
Non-Executive Director

Smt. T. Pavana Devi
Non-Executive Director

Executive Officers

Oduru Babu Reddy
Chief Financial Officer

Shabnam Siddiqui
Company Secretary

Board Committees

Audit Committee

Sri. R.S.Bakkannavar
Chairman

Dr. T. Hanuman Chowdary

Sri. Koteswara Rao SSR

Nomination & Remuneration Committee

Dr. T. Hanuman Chowdary
Chairman

Dr. T.V. Lakshmi

Sri. T. Bapaiah Chowdary

Corporate Social Responsibility Committee

Dr. T. Hanuman Chowdary
Chairman

Sri. R. S. Bakkannavar

Smt. T. Pavana Devi

Sri. T. Gopichand

Stakeholders Relationship Committee

Sri. T. Bapaiah Chowdary
Chairman

Dr. T.V. Lakshmi

Smt. T. Pavana Devi



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting of the members of Tera Software Limited will be held on **Thursday, 26th September, 2019 at 11:00 AM** at Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana 500033, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Balance Sheet as at March 31, 2019, Statement of Profit and Loss for the financial year ended on March 31, 2019, Cash Flow Statement for the financial year ended March 31, 2019 and reports of Directors and 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 herself for re-appointment.

"RESOLVED THAT Mrs. Pavana Devi Tummala (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 re-appoint Dr. Hanuman Chowdary Tripuraneni (DIN: 00107006 AGE: 87) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. Hanuman Chowdary Tripuraneni (DIN: 00107006 AGE:87), who was appointed as an Independent Director on 30th September, 2014 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company."

4. To re-appoint Mr. Ramalingappa Shivabasappa Bakkannavar ((DIN: 00108720 AGE:77 years) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements)

(Amendment) Regulations, 2018 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ramalingappa Shivabasappa Bakkannavar (DIN: 00108720 AGE:77 years), who was appointed as an Independent Director on 30th September, 2014 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company."

5. To re-appoint Mr. Surapaneni Sree Rama Koteswara Rao (DIN: 00964290 AGE: 76) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Surapaneni Sree Rama Koteswara Rao (DIN: 00964290 AGE:76), who was appointed as an Independent Director on 30th September, 2014 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company."



6. To re-appoint Mrs. Thozuvanoor Vellat Lakshmi (DIN: 00003020 AGE: 60) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Thozuvanoor Vellat Lakshmi (DIN: 00003020 AGE:60), who was appointed as an Independent Director on 30th September, 2014 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

Date : 24.05.2019

Place : Hyderabad

By Order of the Board of Directors
Tera Software Limited

Sd/-

(T. Gopichand)

Vice Chairman and Managing Director

DIN: 00107886



Notes:

1. The relevant details as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment are also annexed.
2. A member entitled to attend and vote at the annual general meeting (AGM) is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. All relevant documents referred to in the accompanying notice will be available for inspection at the registered office of the Company during business hours on all working days during business hours up to the date of the Annual General Meeting
7. The Register of Members and Share Transfer Books will remain closed from Friday, 20th September, 2019 to Thursday, 26th September, 2019 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and/or bank mandate immediately to M/s. Karvy Fintech Private Limited, Hyderabad-500032
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore requested to submit 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. Karvy Fintech Private Limited, Hyderabad-500032.

10. 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 securities holder, Payee details, Bank name, Bank account, Bank branch of the holder of securities, MICR number and instructed the RTA's, Banks and Companies not to issue physical dividend warrants without bank details.

Members are requested to avail the Electronic Clearing Service (ECS) facility for receiving dividend. Shareholders are requested to update the same with RTA and avoid withhold of dividends or transfer of dividends to Unpaid/IEPF account.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository.
13. Copies of the Annual Report 2018-2019 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses physical copies of the Annual Report 2018-2019 are being sent by the permitted mode.

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



14. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mrs. Shabnam Siddiqui, Company Secretary, at the company's registered office. Shareholders are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the company's Unpaid Dividend Account, will as per the provisions of Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.
15. The business set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by an e-mail.
16. The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> and instructions and other information relating to e-voting is given in this notice under the heading Electronic Voting
17. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting right at the meeting.
18. Members may also note that the Notice of the 25th AGM and the Annual Report 2018-19 will be available on the Company's website www.terasoftware.com
19. All the Shareholders are informed that the shares, wherein the dividend(s) remains unclaimed from the financial year 2011-12 for a period of seven consecutive years, will be transferred to IEPF or IEPF Suspense Account and are requested to claim their unclaimed dividends by writing to the Company.

Electronic Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shareholders are provided with the facility to cast their votes electronically, through the e-voting services provided by Karvy Fintech Private Limited, in respect of all resolutions set forth in this notice. The facility of casting votes

by shareholders using an electronic voting system from a place other than the venue of the AGM is termed as 'Remote Electronic Voting' (e-voting)

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

- i. Under this mode the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta poll). The insta poll facility shall be made available at the meeting to enable the members attending the meeting who have not cast their vote by remote e-voting can vote at the meeting through 'Insta Poll.
- ii. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iii. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 20th September, 2019.
- iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 20th September, 2019, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1-800-34-54-001 or send an email request to evoting@karvy.com or companysecretary@terasoftware.in
- v. The remote e-voting will open at 9:00 A.M. (IST) on 23rd September, 2019 and ends at 5:00 P.M. (IST) on 25th September, 2019. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 20th September, 2019, may cast their votes electronically. The remote e-voting module will be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder will not be allowed to change it subsequently or cast the vote again.
- vi. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman, with the assistance of scrutinizer, will order voting through ballot paper for all those shareholders who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- vii. Immediately after the conclusion of voting at the AGM, the Scrutinizer will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company. The Scrutinizer will prepare



a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than two days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who will then declare the result of the voting.

- viii. The voting results declared along with the Scrutinizer's Report will be placed on the company's website www.terasoftware.com and on the website of Karvy immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results will also be immediately forwarded to the BSE & NSE
- ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. 26th September, 2019.

Guidelines for e-voting:

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

- 1) In case a Member receives an email from Karvy Fintech Private Limited [for members whose email ID's are registered with the Depository Participants(s)]:
 - (i) Launch internet browser by typing the following URL: <https://evoting.karvy.com>.
 - (ii) User ID and Password for e-voting is provided in the table given at the bottom of Postal Ballot Form.
 - (iii) Click on Shareholder Login.
 - (iv) Enter user ID and password as initial password /PIN. Click login.
 - (v) The Password Change Menu will appear on your screen. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - (vii) Select the "EVEN" (e-voting Event Number) of Tera Software Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Corporate/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board

Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to: cvreddykassociates@gmail.com with a copy marked to evoting@karvy.com.

- (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com> alternatively you can also contact evoting@karvy.com or companysecretary@terasoftware.in for any queries or grievances connected with remote e-voting service.
- 2) In case a Member receives physical copy of the Notice by post [for members whose email IDs are not registered with the Depository Participants(s)]:
 - i. User ID and initial password - These will be sent separately.
 - ii. Please follow all steps from Sl. No. (i) to (xiii) as mentioned in (1) above, to cast your vote.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 to 6:

The following directors were appointed as an Independent Non-Executive Director of the Company by the members at the 20th AGM of the Company held on 30th September, 2014 for a period of five consecutive years commencing from 30th September, 2014 upto 30th September, 2019:

1. Dr. Hanuman Chowdary Tripuraneni
2. Mr. Ramalingappa Shivabasappa Bakkannavar
3. Mr. Surapaneni Sree Rama Koteswara Rao
4. Dr. Thozuvanoor Vellat Lakshmi

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and pursuant to Regulation 17 & 17(1A) of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, all four independent directors listed above, being eligible for re-appointment as an Independent Director and offering themselves for re-appointment, are proposed to be re-appointed as an



Independent Director for second term of five consecutive years from 30th September, 2019 upto 30th September, 2024. The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has received consent from the respective directors to continue to act as Director of the Company, if so appointed by the members.

Dr. Hanuman Chowdary Tripuraneni owns Padma Shri, the fourth highest civilian award in India, who had contributed the most to the telecom revolution and IT development in country. Founder of the Center for Telecommunications Management and Studies (CTMS), Dr. Chowdary, popularly known as T. H. Chowdhary, currently serves as non-executive independent director of the company.

He was the founding CMD of Videsh Sanchar Nigam Limited (VSNL), Advisor to TCS and IT advisor to the Government of Andhra Pradesh. He is Chairman of Pragna Bharthi of Andhra Pradesh. Dr Chowdary founded the Centre for Telecommunications Management and Studies in 1989, as a not-for-profit-society to wage the intellectual campaign for demonopolisation of and competition in Indian telecoms. He wrote the draft National Telecom Policy, in 1989, which has become the basis for the final TRAI Act. He is also considered as the spiritual father of all the private sector telecom companies in India and a Member of the Prime Minister's National Task Force on Information Technology.

Mr. R. S. Bakkannavar has over three decades of rich experience in banking sector providing guidance on project financing. He has been Regional Director of Reserve Bank of India. He has versatile expertise in financial matters, HRD, Administration and Banks Supervision. He has also served as a member of many Banking Groups. He is the chairman of Audit committee and member of management committee of the company.

Mr. Koteswara Rao SSR is a renowned Chartered Accountant and the Senior Partner of Brahmayya & Co., Chartered Accountants. He was Regional Council Member of SIRC of ICAI during 1985-1992 and was its Chairman during 1990-1992. He was the President of Federation of Andhra Pradesh Chamber of Commerce & Industry, member of Andhra Pradesh State Financial Corporation and Tirumala Tirupati Devasthanams Trust Board. He is presently serving as a Director of a number of leading companies including Sanzyme Private Ltd, Sanzyme Biologics Private Ltd., Jeevan Scientific Technology Limited, Deccan Auto Ltd., and Corona Bus Manufacturers (P) Ltd., and Treasurer in Vignana Jyothi a non profitable organization working in field of education.

Dr. T.V. Lakshmi holds PhD degree from University of Hyderabad and has 18 years of Experience in IT Industry. She specializes in consultancy of Software Development, Standardization, GIS and GPS/GIS Survey of Electrical Utilities.

The Board of Directors is of the opinion that Dr. Hanuman

Chowdary Tripuraneni, Mr. Ramalingappa Shivabasappa Bakkannavar, Mr. Koteswara Rao SSR & Dr. T.V. Lakshmi are persons of integrity; possess relevant expertise and vast experience. Their association as non-executive Independent directors will be beneficial and in the best interest of the Company. In line with the applicable provisions of Companies Act, 2013 & SEBI (LODR) Regulations, your directors recommend their continued association beyond September 30, 2019 and until expiry of their respective terms.

The brief resume of said Directors, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

The Board of Directors accordingly recommends the Special Resolutions as mentioned at item no. 3, 4, 5 & 6 of this Notice for approval of the Members of the Company.

None of the other Directors and key managerial personnel except directors being re-appointed; are deemed to be concerned or interested, financially or otherwise in the proposed special resolution, except to the extent of their shareholding in the company, if any.



**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN PURSUANCE OF REGULATION 36 (3) OF SEBI
(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Particulars	Item No. 2	Item No. 3	Item No. 4	Item No. 5	Item No. 6
Name of the Director	Mrs. Tummala Pavana Devi	Dr. Hanuman Chowdary Tripuraneni	Mr. Ramalingappa Shivabasappa Bakkannavar	Mr. Koteswara Rao SSR	Dr. Thozuvanoor Vellat Lakshmi
Date of Birth	22-06-1962	18-10-1931	17-06-1941	25-03-1943	01-01-1959
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Re-appointment on the Board	06-06-1995	30.09.2014	30.09.2014	30.09.2014	30.09.2014
Qualification	B.Com	B. Tech.	Post Graduate	FCA	Ph.D.
Nature of Expertise in specific Functional Areas	20 Years of extensive experience in Management.	Padma Shree Award winner in the year 2017. Founder Chairman of VSNL, former IT advisor to Government of Andhra Pradesh and renowned name in the IT field. Providing expert guidance in IT and Projects of TERA.	Former Regional director of RBI. Over three decades of rich experience in banking sector. Providing expert guidance on project financing.	Senior partner of Bhahmayya & Co, Chartered Accountants. Former Regional Council member & Chairman of SIRC, ICAI. Providing expert guidance in accounting, finance, corporate laws etc.	Experienced scientist with strong R&D background especially in GIS/GPS and quality.
List of Directorship in other companies	1. Intiqua Technologies Limited	1. Softsol India Limited 2. Sify Technologies Limited 3. Sify Data and Managed Services Limited	1. Heritage Finlease Limited	1. Jeevan Scientific Technology Ltd. 2. Sanzyme Biologics Private Ltd. 3. Sanzyme Private Limited 4. Corona Bus Manufacturers Private Limited 5. Deccan Auto Limited	1. Utility Mapping Services Private Limited
Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	1	3	1	2	1
Shareholding of TERA	1174760	Nil	Nil	Nil	2250


DIRECTORS' REPORT
Dear Shareholders,

The Directors presents the 25th Annual Report on the business and operations of the Company and audited Financial Results for the year ended 31st March, 2019.

Financial Highlights:

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2019	Year Ended 31.03.2018
Gross Income	17894.71	14795.03
Expenditure	16334.45	13591.65
Profit before Finance Cost, Depreciation & Tax	1560.26	1203.38
Less : Finance Cost	709.30	718.89
Depreciation	254.69	254.19
Profit Before Tax (PBT)	596.27	230.30
Less : Current tax	269.15	89.13
Tax Expense relating to earlier years	-	(12.00)
Deferred tax	(40.54)	(4.43)
Profit for the year (PAT)	367.66	157.60

1. COMPANY'S PERFORMANCE

The Company has achieved a turnover of Rs. 178.95 Crore for the year ended 31st March, 2019 as against Rs. 147.95 Crore in FY. 2017-18. The Company has registered a net profit of Rs. 3.67 Crore as compares to previous year's net profit of Rs. 1.57 Crore.

2. MATERIAL CHANGES & COMMITMENTS:

Commemorating the 25th year of Tera Software Limited, your directors take pride to share with you that the Company has won projects more than Rupees 1200 Crores during the year. Your directors anticipate a huge success and a positive outlook for the coming years, too. As your Company is emerging strong where it can successfully implement and execute projects and create milestones in future. A detailed review of all the projects is given in Management Discussion and Analysis.

3. DIVIDEND:

Your Directors have not recommended dividend for the FY. 2018-19. The management has taken this decision to conserve resources for the investment in the ongoing 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, no funds were transferred to General 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:

There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. During the year under review, the Company has not issued any shares either with differential voting rights nor employee stock options or sweat equity shares.

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 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. BOARD & COMMITTEE MEETING:

The Board of Directors met Four (4) times during the year. The Audit Committee is constituted by all Independent Directors viz. Mr. R.S. Bakkannavar (Chairman), Dr. T. Hanuman Chowdary



and Mr. Koteswara Rao SSR as Members. During the year there were no instances of rejecting the recommendations of the Audit Committee by the Board.

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

10. DIRECTORS & KEY MANAGERIAL PERSONNEL:

A. RETIREMENT BY ROTATION

Pursuant to Section 152 of Companies Act, 2013, Mrs. Pavana Devi Tummala (DIN: 00107698), Director will retire at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

B. CHANGES IN KEY MANAGERIAL PERSONNEL

During the year, Mr. Vijay Bhaskar resigned from the post of Chief Financial Officer on September 19, 2018 and Mr. Oduru Babu Reddy was appointed in his place on February 14, 2019. Also, Mrs. B. Sowmya, resigned as Company Secretary of the Company and subsequently Mrs. Shabnam Siddiqui was appointed as Company Secretary with effect from 13th November, 2018.

C. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations stating that they meet the criteria of independence as provided under Section 149(6) of Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the rules made thereunder and are Independent of the management.

D. 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, competency 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.

E. NOMINATION & REMUNERATION POLICY

The Company has 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.

Following are the major functions of Nomination & Remuneration Committee under the policy:

- I. the criteria for determining qualifications, positive attributes and independence of a director, the remuneration of the directors, key managerial personnel and other employees;
- II. criteria for evaluation of performance of Independent directors and the Board of directors;
- III. devising a policy on diversity of Board of directors;
- IV. recommend to the Board, remuneration, in whatever form, payable to senior management etc.

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.

11. AUDITORS & AUDITORS REPORT:

i. STATUTORY AUDITORS:

M/s. Mullapudi & Co., Chartered Accountants, (Firm Reg no: 006707S) Hyderabad, have been appointed as Statutory Auditors of the Company on 23rd September, 2017 for a period of five years i.e. to hold office until the conclusion of 28th Annual General Meeting to be held in the year 2022. The Independent Auditor's report doesn't contain any reservation, qualification or adverse remark.

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 2018-19 in Form No MR-3 is annexed herewith as "Annexure D" to this Report. The Secretarial Audit Report does not contain any reservation, qualification or adverse remark.

12. 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.

13. 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: **INR 14.47 Crores**

14. PARTICULARS OF EMPLOYEES

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

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

Name	Designation	Ratio to Median Remuneration
Mr. T. Gopichand	Vice-Chairman & Managing Director	82.03

- b. The percentage increase in remuneration in each Director, Chief Financial Officer, Company Secretary in the Financial Year : Nil
- 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, 2019: 1295
- 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. 2018-19 was 4.29%. 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.

15. CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR policy is available on our website: www.terasoftware.com. The Corporate Social Responsibility Committee formed pursuant to section 135 of Companies Act, 2013 approved a budget of Rs. 21 Lacs/- (Rupees Twenty-One Lakhs only) during the Financial Year 2018-19.

The Company spent Rs. 4 Lacs on healthcare improvement project. Due to insufficient funds, it was decided to carry forward the balance of CSR Fund and to be spent in the next Financial Year .

16. 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.

17. 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.

18. INTERNAL FINANCIAL CONTROLS

The Company has an Internal Financial Control System 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.

19. 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 of the company 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 2018-19.

20. 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.

21. 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.

22. EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return, in form MGT 9 for the Financial Year 2018-19 is available on the website of the Company at the following link:
www.terasoftware.com/investors/annual-reports-MGT9

23. 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 C" 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 certain 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.

24. SEXUAL HARASSMENT

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

25. 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:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- b) The board has 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;
- c) The board has 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;
- d) The annual accounts have been prepared on a going concern basis; and
- e) The Company had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- f) The board has 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

Place : Hyderabad
Date : 24.05.2019

Sd/
(Koteswara Rao SSR)
Chairman
DIN: 00964290

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



MANAGEMENT DISCUSSION AND ANALYSIS

“Annexure A”

Commemorating the 25th year of TERA Software Limited, your directors take pride to share with you that the Company has won projects having total value more than Rs. 1200 Crores. Your directors anticipate a huge success and a positive outlook for the coming years. Your Company implements the projects as System Integrator, Public Private Partnership model (BOOT, BOO, BOMT), infrastructure and maintenance services. The Company had its operational presence in 22 states in India. Over the years, the Company has been offering innovative, flexible and affordable software solutions to customers across the globe.

ECONOMIC SCENARIO AND OUTLOOK

India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country. India's IT & ITeS industry grew to US\$ 181 billion in 2018-19. The contribution of core digital sectors like information technology-business process management (IT-BPM), digital communications, and electronics manufacturing to India's gross domestic product (GDP) may increase 8 to 10 percent in 2025, says a new report from McKinsey Global Institute. The government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed.

With an aim of achieving the vision of DIGITAL INDIA, the Government's services are made available to citizens electronically by improved online infrastructure and by increasing Internet connectivity and by making the country digitally empowered in the field of technology. Digitize India Platform (DIP) provides an innovative solution by combining machine intelligence and a cost-effective crowd sourcing model.

GOVERNMENT INITIATIVES

The Government aspires to transform India into a knowledge society and spread of growth of IT sector to the last mile of the state. (i.e. gram panchayat). To enable India's transition into a digital economy, Ministries have fully leveraged the Common platform, laid down the standards and policy guidelines and Support ICT Infrastructure established by Gol. The existing e-Governance initiatives have been suitably revamped to align them with the principles of Digital India. Scope enhancement, Process Reengineering, use of integrated & interoperable systems and deployment of emerging technologies like cloud & mobile have been undertaken to enhance the delivery of Government services to citizens.

To extend the reach of the mobile network, broadband services & high-speed digital connectivity to rural India at affordable price, the following initiatives have been taken:

- Under BharatNet Phase-I programme, 2,82,054 Kms of PLB Duct (pipe) were laid, 2,92,686 Kms Optical Fibre were laid & 3,41,568 Kms of Optical Fibre Cable were Delivered on site by the end of calendar year 2018.
- Implementation of the programme has been ramped up under BharatNet Phase-II project where Balance GPs using optical mix of underground/aerial OFC, radio and satellite to be used. This programme was to be executed by 3 PSUs and State Govts through their Discoms or any other agency. Where your Company is engaged in two states Orisha and Andhra Pradesh.
- The Ministry of Housing and Urban Affairs (MoHUA), Government of India (Gol) has initiated a Smart Cities Mission (SCM), under which selected cities will be developed as smart cities with a focus on improving citizen services.
- Ensuring mobile access in around 44,000 uncovered villages in the country and government is taking steps to ensure that all villages are covered through mobile connectivity.
- Business process re-engineering is being undertaken to improve processes and service delivery. Services will be integrated with UIDAI, payment gateway and mobile platform.
- To achieve this, the government has been promoting IT and ITeS units in Tier-II cities and rural areas that will not only provide gainful employment but also ensure overall socio-economic development of the state.

OPPORTUNITIES

With the introduction of the DIGITAL INDIA PROGRAM, both the Central and State Governments are opening the door for non-government companies to work on Public Private Partnership for execution of their projects.

The Company has embarked **Four** new projects under **Digital India Programme** for optical fiber grid network connectivity in the state of Andhra Pradesh. We have successfully bagged one PAN City ICT project under SMART City mission in Davangere city and One work order for survey, design, planning, supply (including free spares supply items) and installation, end to end integration, testing and commissioning of OFC (Aerial) GPON network in the state of Odisha under BharatNet Phase-II. Further, the company is expected to enter few more states in the next Financial Year. The company has a long road to go and we believe to complete the milestones within the stipulated timeframe and get more extensive projects in future.



RISKS & CONCERNS

Over the past decade, the Indian IT-ITeS sector has grown rapidly and achieved significant milestones in terms of revenue, employment generation and value creation. In the given scenario, the omnipresent threat grew even faster than anticipated. New risks emerged as the severity; volatility and pace of change fostered opportunities and incentives for security. If you need to develop something large, it has to have massive demand scale, and that can be very difficult to bootstrap as a business. Thus, the industry is facing a lifecycle that requires small things that minimal features and mass market popularity, with low prices, with a vague and fickle future possibility of adding more capabilities.

Software industry may be in for the same economic problems that the traditional news and media industries face now: high costs, diminished traditional revenue streams, and reliance on things other than the product itself to make money. These are different challenges than the software itself as a set of technical and project management problems:

◆ **Low budgeted value of projects:**

Government projects are sometimes very low budgeted. It becomes difficult to get award of contracts due to high impact cost of project. The company has its dedicated team to analyse, budget and quote reasonable value to meet the levels of bidding.

◆ **Delayed revenue:**

Receipt of revenue is slightly slower than expected, as government payments are subject to various clearances by government officials. The company is making adequate provisions to cater the requirement of new projects.

◆ **Less finance available:**

Some projects may be easier to finance than others (if there is proven technology involved and/ or the extent of the private sectors obligations and liability is clearly identifiable). Seeing the slow realisation of profits, Banks and Financial institutions are reluctant to fund the projects. The management is aware of this and has taken the necessary initiatives to mitigate the risk.

◆ **Technology Obsolescence**

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

◆ **Increasing Competition**

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

COMPANY'S OUTLOOK

As your Company has completed 25 years, we can consider ourselves an established, mature and reputable Company. A detailed review of all the projects is given hereunder:-

1. **OPTCL BHARATNET PHASE-II TURNKEY PROJECT:** A work contract worth Rs. 486.39 Crores from Odisha Power Transmission Corporation Limited (OPTCL) for which the Company was the L1 bidder. Further, to inform you that the Company has signed an agreement with OPTCL for the aforesaid work contract for survey, planning, design, engineering, manufacturing, insurance, supply (including spares supply items) and installation, delivery at site, end to end integration, testing & commissioning of OFC (Aerial) GPON Network and Technical Specification evaluation work in the state of Odisha.
2. **APSFL OPTICAL FIBRE GRID NETWORK:** A milestone work order worth of Rs. 324.89 Crores from Andhra Pradesh State FiberNet Limited (APSFL) and the company has signed an agreement with APSFL to act as Project Implementation Agency for BharatNet Phase-II works to establish Optical Fibre Grid Network (Supply, installation and Commissioning) in 3394 Gram Panchayats in the state of Andhra Pradesh to be commissioned in 12 months and further O&M for the period of 7 years.
3. **AP FIBER GRID PHASE-I O&M** A very prestigious project of AP Fiber Grid Phase-I for Operation and Maintenance of the same for Andhra Pradesh State Fiber Grid Network Phase-I for a period of five years from Andhra Pradesh State Fiber Net Limited (APSFL). The value of this project is Rs. 286.49 Crores.
4. **DAVANAGERE SMART CITY PROJECT:** a work order worth of Rs. 88.32 Crores as a part of Smart City Mission (one of the Government's bold and new initiative to promote cities with core infrastructure and to give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions) an emerging domain of Information and Communications Technology (ICT) to act 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.

5. **AP FIBER GRID PHASE-I PT EQUIPMENT AMC** - The Company got the project work of Rs. 33.75 Crores for Annual Maintenance Contract (AMC) services of PT Equipment viz. OLTs, Agora Software, and Software for AAA server for AP Fibergrid Project for 5 years across 13 districts of Andhra Pradesh from APSFL. AMC includes comprehensive services, repairs, resolve, replacements, maintenance of software, license, hardware and equipments etc.
6. **AP LAST MILE CONNECTIVITY PROJECT** The Company has bagged a Work Order of Rs 4.02 Crores from APSFL for last mile Optical Fiber Connectivity upto 982 connections to Education institutions from APSFL POP. Last mile connectivity includes installation and configuration of Optical Fiber Connectivity to deliver the services of AP Fiber Grid viz., Cable TV, high-speed Broadband, Telecom and other value-added services.

INTERNAL CONTROL 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 31.03.2019 is 1295.



CORPORATE GOVERNANCE REPORT

“Annexure B”

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company Corporate Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees. We adhere to the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner and thereby attain the highest goals of corporate achievement. 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:

At Tera Software Limited, the Board has an appropriate mix of Executive and Non Executive Directors to maintain its independence in conformity with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors as on 31st March, 2019 comprised of 7 directors out of which 4 Non-Executive and Independent Directors constituting 50% of the Board strength and 1 Executive Managing Director, 2 Non-Executive Directors.

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 Four (4) times during the financial year i.e. on 28.05.2018, 14.08.2018, 13.11.2018, 14.02.2019 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 matter 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, 2019 are given herein below:

Name of the Director	Category	Number of board meetings attended during the year 2018-19	Whether attended last AGM held on 17-09 2019	**No. of Directorships in public companies	***No. of Committee positions held in public companies		No. of shares held	%to the paid up shares capital
					Chairman	Member		
Sri. T. Gopichand	Vice Chairman & Managing Director	4	Yes	1	-	-	1892836	15.13%
Sri. Koteswara Rao SSR	Independent Non-Executive	4	Yes	3	0	2	0	0
Sri. T. Hanuman Chowdary	Independent Non-Executive	4	Yes	3	2	1	0	0
Sri R.S.Bakkannavar	Independent Non-Executive	4	Yes	2	1	-	0	0
Dr. T.V. Lakshmi	Independent Non-Executive	4	No	1	-	1	2250	0.02%
Sri T.Bapaiah Chowdary	Non-Executive	4	Yes	1	1	0	150000	1.20%
Smt. T. Pavana Devi	Non-Executive	3	Yes	2	0	1	1174760	9.39%

** 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 as required u/r 26(1)(b) of SEBI(LODR) registration, 2015


DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE;

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

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 terms and conditions for appointment of independent directors and a sample letter of appointment issued to them, are posted on the Company's website at following the link: www.terasoftware.com.

Separate meeting of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 was held on 14-02-2019 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.

CODE OF CONDUCT

The Board has prescribed the Code of Conduct for its Board Members and Senior Management. 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, 2019. A declaration to this effect signed by Managing Director has been incorporated in the Annual Report.

BOARD AND DIRECTOR'S 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:

- (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:**
Except Managing Director, 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.
- (B) Criteria of making payments to non-executive directors:**
The Non-Executive / Independent Directors receive sitting fees as permissible under the provisions of Companies Act, 2013. 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, 2019 (Rs. in lakhs)

Sl.No	Name of the Director	Salary	Sitting Fees	Total
1	T. Gopichand	84.00	-	84.00
2	Dr. T. Hanuman Chowdary	-	1.08	1.08
3	Koteswara Rao SSR	-	0.80	0.80
4	R.S.Bakkannavar	-	0.94	0.94
5	Dr. T.V. Lakshmi	-	0.82	0.82
6	T. Bapaiah Chowdary	-	0.82	0.82
7	T. Pavana Devi	-	0.65	0.65



- (i) 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.
- (ii) Service contracts, notice period, severance fees- Nil
- (iii) 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 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 2018-19 are detailed below. The Committee met four times during the year i.e. on 26.05.2018, 14.08.2018, 13.11.2018 and 14.02.2019.

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

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.

transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) 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.

Further, the Board of Directors has authorised Registrar and Share Transfer Agent for transfer of shares, transmission of shares, dematerialization/rematerialization of shares or requests for deletion of name of the shareholder, etc.

The composition of the SRC Committee along with the details of the meetings held and attended during the financial year 2018-19 are detailed below:

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:

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/

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



During the year, 6 Complaints/Queries of general nature (non-receipt of annual reports, dividend warrants, IEPF query & Claim of shares) 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

Compliance Officer Name and Address:

Shabnam Siddiqui
Company Secretary,
Tera Software Limited,
 # 8-2-293/82/A/1107, Plot No. 1107, Road No. 55, Jubilee Hills, Hyderabad – 500033.
E-mail: companysecretary@terasoftware.in

NOMINATION AND REMUNERATION COMMITTEE:

The 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.

During the year under review, the Committee met 2 times on 13.11.2018 & 14.02.2019

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
Sri T. Bapaiah Chowdary	Non-Executive Director	Member	2	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

- Formulate and recommend to the Board, a 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 under investors section.

During the year, the committee met 2 times i.e. on 13.11.2018 and 14.02.2019.

Name	Category	Position	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman	2	2
Sri R.S. Bakkannavar	Non-Executive & Independent Director	Member	2	2
Sri T.Gopichand	Executive Director	Member	2	2
Smt T. Pavana Devi	Non-Executive Director	Member	2	2


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. 2018-19. Constitution of the committee is as follows:

Name	Category	Chairman/Member
Sri T.Gopichand	Executive Director	Chairman
Sri. Koteswara Rao SSR	Non Executive & Independent Director	Member
Dr. T. Vellat 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 there at are as follows:

Annual General Meeting	Venue	Date & Time	Special Resolution passed
24th AGM	Jubilee Hills International Center, Road No. 14, Jubilee Hills, Hyderabad, Telangana 500033	17 th September, 2018 Monday 11:00 AM	Nil
23rd AGM	Registered office of the Company 8-2-293/82/A/1107, Plot No: 1107, Road No. 55, Jubilee Hills, Hyderabad.	23 rd September, 2017 Saturday, 03:00 P.M.	Nil
22nd AGM	Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Near Hi-tech city, Madhapur, Hyderabad	30 th September, 2016 Friday, 03:00 P.M.	<ol style="list-style-type: none"> 1. Re-appointment of Sri. T. Gopichand as Managing Director of the Company for a period of five(5) years w.e.f 1st September, 2016. 2. Appointment of Sri K. Rama Rao as Whole Time Director of the Company. 3. Approved for doubling limit is of remuneration payable to Sri T. Gopichand; Vice Chairman & Managing Director of the Company as specified in Para-A, Section-II Part-II of schedule V of companies Act, 2013 in case of Company having no profit in any financial year. 4. Alteration of Articles of Association of the Company.

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

Details of special resolution passed through Postal Ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of Postal Ballot dated February 14, 2019 (including E-Voting), for continuation of Independent Directors aged above 75 years; which was duly passed by 3/4 majority and the results of which were announced on April 10, 2019. Mr. K.Ch. Venkat Reddy of C.V. Reddy K. & Associates, Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.



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 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	Thursday, 26 th September, 2019 at 11:00 AM at Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad, Telangana 500033.
b)	Financial Year:	April 1, 2018 to March 31, 2019.
c)	Date of Book Closure:	20 th September, 2019 to 26 th September, 2019
d)	Listing on stock exchanges:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra-kurla Complex, Bandra (East), Mumbai-400051.
e)	Stock code:	BSE : 533982 NSE: TERASOFT
f)	Company's ISIN:	INE482B01010

g) Market Price Data

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

Month & Year	BSE		SENSEX		NSE		NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-18	60.60	38.40	35213.30	32972.56	60.95	38.95	10759.00	10111.30
May-18	55.60	42.20	35993.53	34302.89	55.00	40.90	10929.20	10417.80
Jun-18	46.00	38.10	35877.41	34784.68	45.00	36.80	10893.25	10550.90
Jul-18	40.85	34.20	37644.59	35106.57	40.50	33.65	11366.00	10604.65
Aug-18	38.80	33.00	38989.65	37128.99	38.85	32.50	11760.20	11234.95
Sep-18	35.80	27.55	38934.35	35985.63	35.20	27.65	11751.80	10850.30
Oct-18	30.90	22.65	36616.64	33291.58	29.65	20.30	11035.65	10004.55
Nov-18	37.55	23.95	36389.22	34303.38	38.00	23.15	10922.45	10341.90
Dec-18	38.45	28.00	36554.99	34426.29	39.40	27.00	10985.15	10333.85
Jan-19	55.00	38.00	36701.03	35375.51	54.90	37.00	10987.45	10583.65
Feb-19	52.00	34.55	37172.18	35287.16	51.40	35.80	11118.10	10585.65
Mar-19	46.90	37.15	38748.54	35926.94	43.70	36.00	11630.35	10817.00

h) Registrars and Transfer Agents

Karvy Fintech Private Limited

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

Tel: 040 6716 1606

Toll Free No: 1800-3454-001

E-mail: einward.ris@karvy.com

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


i) Share transfer system

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

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

j) Distribution of Shareholding as on 31st March, 2019

Equity shares holding of Nominal value of Rs.	No. of Shareholders	% of total shareholders	Equity shares amount	% to Total Capital
1 - 5000	6818	80.72	96,06,570	7.68
5001 - 10000	778	9.21	63,72,940	5.09
10001 - 20000	383	4.53	58,44,850	4.67
20001 - 30000	128	1.52	32,58,690	2.60
30001 - 40000	80	0.95	28,01,910	2.24
40001 - 50000	54	0.64	24,95,410	1.99
50001 - 100000	103	1.22	74,49,360	5.95
100001 and above	102	1.21	8,72,89,020	69.76
Total:	8446	100.00	12,51,18,750	100.00

k) Shareholding Pattern as on 31st March, 2019:

Sl. No	Category of Shareholder	No. Shareholders	Total Shares	% of Total Shares
A	Shareholding of Promoter & Promoter Group			
	Indian			
	Individuals/Hindu Undivided Family	9	6001927	47.97
	Foreign	Nil	Nil	Nil
B.	Public Shareholding:			
	Institutions:			
	Financial Institutions/Banks	1	100	0.00
	Non-Institutions:			
	Bodies Corporate	127	589519	4.71
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	7674	4217720	33.71
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	26	1433013	11.45
	NBFCs Registered with RBI	1	196	0.00
	Clearing Members	15	6892	0.06
	Non Resident Indians	70	164813	1.32
	Non Resident Indians-Non Repatriable	34	36696	0.29
	Investor Education & Protection Fund (IEPF)	1	60999	0.49
	Total:	7958	1,25,11,875	100.00


l) Shareholders holding more than 1% of shares:

Sl. No	Name of the Shareholder	No. of Equity Shares	% of Shareholding
1	Tummala Gopichand	1892836	15.13
2	Tummala Pavana Devi	1174760	9.39
3	Raja Sekhar Tummala	1024617	8.19
4	Madhu Mitra Tummala	841308	6.72
5	Tummala Gopichand	503718	4.03
6	Rajesh Dinkar Fowkar	259638	2.08
7	N Sri Durga	226537	1.81
8	Tummala Bapaiah Chowdary	150000	1.20
9	T. Seetharamamma	136875	1.09
10	Parag Vipin Shah	135629	1.08
	Total:	6345918	50.72

m) Dematerialization of Shares & Liquidity:

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

Details of shares held in physical and dematerialized form as on 31st March, 2019:

Mode of Holding	No of Holders	No. of Shares	% of Total Shares
Physical	144	67666	0.54
NSDL	4559	9704200	77.56
CDSL	3743	2740009	21.90
Total:	8446	1,25,11,875	100.00

As at the end of 31st March, 2019 total 99.46% of paid-up Equity Shares of the Company are in electronic form.

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

The Company has not issued any GDRs/ADRs/Warrants/convertible debentures during the year 2018-19 and there are no outstanding convertible instruments which will impact the equity.

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

Investors' correspondence may be addressed to Mrs. Shabnam Siddiqui, 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

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

In terms of Section 124 of the Companies Act, 2013 (Sections 205A and 205C of the Companies Act, 1956), 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.

In compliance with Sections 124 and other related provisions, if any of the Companies Act, 2013, the Company had transferred unclaimed dividend for the FY. 2010-11 of Rs. 5,17,074/- and 18,657 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, 2019.

Financial year	Date of declaration of Dividend	Amount remaining Unclaimed as on 31.03.2019 (in Rs.)	Last date for claiming unpaid dividend amount (on or before)	Last date for transfer to IEPF
2011-12	28/09/2012	336,688	04/11/2019	04/12/2019
2012-13	30/09/2013	151,056	06/11/2020	06/12/2020
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 2018-19 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 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, 2019.
- 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 redressal 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, share capital audit etc. among others are filed electronically on NEAPS.



DECLARATION BY THE MANAGING DIRECTOR UNDER SEBI (LODR) REGULATIONS, 2015

As provided under SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) Regulations, 2015 the board members and senior management personnel have confirmed the Code of Conduct for the year ended 31st March, 2019.

For Tera Software Limited

Sd/-

(T.Gopichand)

Vice Chairman and Managing Director

DIN: 00107886

Date : 24.05.2019

Place: Hyderabad

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

To,
The Board of Directors
TERA SOFTWARE LIMITED

We, Gopichand Tummala, Vice Chairman & Managing Director and Oduru Babu Reddy, 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, 2019 and to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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, 2019 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 : 24.05.2019

Place : Hyderabad

Sd/

Oduru Babu Reddy

Chief Financial Officer

Sd/-

T. Gopichand

Vice Chairman & Managing Director



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Tera Software Limited

1. We, Mullapudi & Co., Chartered Accountants, the Statutory Auditors of Tera Software Limited ("the Company") have examined the Compliance of Conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17-27, clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Managements' Responsibility

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

Auditors' Responsibility

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

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D and E of Schedule V to the Listing Regulations during the year ended 31st March, 2019.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mullapudi & Co.,
Chartered Accountants
Firm Reg. No: 0067075

Place: Hyderabad
Date : 24.05.2019

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


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.**

ANNEXURE - C

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 2018-19.

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

S. No	Particular	A	B	C	D
a).	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: 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)
b).	Nature of contracts/arrangements/transactions	a) Remuneration paid b) Interest on Unsecured Loan paid	a) Sitting Fees	a) Sitting Fees b) Purchase of Clamps, Bolts & Nuts etc for AP Fiber Grid Project	Salary
c).	Duration of the contracts/arrangements/transactions	NA	NA	NA	NA
d).	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
e).	Date(s) of approval by the Board, if any:	28.05.2018	28.05.2018	28.05.2018	28.05.2018
f).	Amount paid as advances, if any:	Nil	Nil	Nil	Nil



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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, 2019 ("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, 2019 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;
- (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
- (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 EPF & 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

I 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. There were no changes in the composition of the Board of Directors during the period under review.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, alongwith 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.

I further report that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 published in the Official Gazette on 9th May 2018; the Company has taken approval of Shareholders by way of Special Resolution passed through Postal Ballot and E-voting for approval of continuation of Non-Executive Independent Directors aged above 75 years.

Place: Hyderabad
Date : 24.05.2019

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

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



'Annexure I'

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.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date : 24.05.2019

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



Independent Auditor's Report

To the Members of TERA SOFTWARE LIMITED Report on the Audit of Ind AS financial statements

Opinion

We have audited the Ind AS financial statements of Tera Software Limited ("the Company"), which comprise the Balance Sheet, as at March 31, 2019, the statement of profit and loss (Including Other Comprehensive Income), the statement of changes in Equity, the statement of Cash Flows for the year ended, and notes to Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information ("the Ind AS 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, 2019, 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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>Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS -'115 "Revenue from Contracts with Customers"</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be executed subsequent to the balance sheet date.</p>	<p>Principal Audit procedures performed:</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new standard. • Selected a sample of continuing and operating effectiveness of the internal controls relating to identification of the specific performance obligations • Selected a sample of continuing and new contracts and performed the following procedures. <ul style="list-style-type: none"> - Studied, analysed and identified the specific performance obligations in these contracts. - Compared these performance obligations with that of recorded by the company. - Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
2.	<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"> • Understand and assess the management's estimate and related policies used in the credit loss analysis. • Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. • Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy. • We tested the aging of trade receivables at year end. • 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. • We tested the aging of trade receivables at year end. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables according to the provision matrix.



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 Ind AS financial statements and our Auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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 Statement comply with the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 tax litigations disclosed as Note no. 27 of the Notes to accounts. We are of the opinion that the pending litigations would not impact the financial position of the Company.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-

CA B. Krishna Sivaram Apparao
Partner
Membership No: 226476

Place: Hyderabad
Date : 24.05.2019



**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 and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company. Consequently no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank Of India or any court or any other tribunal, on compliance or non-compliance of the same. Accordingly, clause (v) of the Order is not applicable
- vi. In respect of the Company, the Central Government of India has not prescribed for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act. Accordingly clause vi of the order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Employees State Insurance, Provident Fund, Income-tax, Sales-tax, Service-tax, Customs duty, Excise duty, GST and any other material statutory dues as applicable to it.
- (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 31/03/2019 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	17,04,045	2016-17 (October to March)	Appellate Deputy Commissioner (CT), Tirupathi.
11	The AP VAT	Value Added Tax	12,026	2017-18 (April to June)	Appellate Deputy Commissioner (CT), Tirupathi.
12	The AP VAT	Penalty on VAT	4,26,011	2016-17 (October to March)	Appellate Deputy Commissioner (CT), Tirupathi.
13	The AP VAT	Penalty on VAT	3,007	2017-18 (April to June)	Appellate Deputy Commissioner (CT), Tirupathi.
14	The Finance Act 1994	Service Tax	3,99,98,766	2011-12	CESTSAT- Hyderabad
15	The Finance Act 1994	Penalty On Service Tax	4,00,08,766	2011-12	CESTSAT- Hyderabad
16	The Finance Act 1994	Service Tax	15,40,170	2008-09 to 2012-13	CESTSAT- Hyderabad
17	The Finance Act 1994	Penalty On Service Tax	15,50,170	2008-09 to 2012-13	CESTSAT- Hyderabad



- 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 Ind AS 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 Reg. No: 0067075

Sd/-

CA B. Krishna Sivaram Apparao
Partner

Membership No: 226476

Place: Hyderabad

Date : 24.05.2019

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 2019 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 2019, 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.

Place: Hyderabad
Date : 24.05.2019

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

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


Balance Sheet as at 31st March 2019

Rupees in Lakhs

S. No.	Particulars	Note No	As at 31.03.2019	As at 31.03.2018
I.	ASSETS			
	1. Non-current assets			
	(i) Property, Plant & Equipment	1	3,170.43	3,414.02
	(ii) Financial Assets			
	(a) Other Financial Assets	2	300.87	223.95
	(iii) Other non current assets	3	294.38	69.74
	(iv) Deferred tax Asset (net)	4	235.03	199.95
	Total non-current assets		4,000.71	3,907.66
	2. Current Assets			
	(i) Inventories	5	1,063.44	1,214.98
	(ii) Financial Assets			
	(a) Trade receivables	6	13,564.53	11,638.63
	(b) Cash and Cash Equivalents	7	1,306.73	968.40
	(c) Other financial assets	8	22.22	14.24
	(iii) Other current assets	9	842.31	915.80
	Total current assets		16,799.23	14,752.05
	TOTAL		20,799.94	18,659.71
II	EQUITY AND LIABILITIES			
	A Equity			
	(a) Equity Share Capital	10	1,251.19	1,251.19
	(b) Other Equity	11	8,995.88	8,617.32
	Total Equity		10,247.07	9,868.51
	B Liabilities			
	1. Non-current liabilities			
	(i) Financial liabilities			
	(a) long-term borrowings	12	102.37	106.96
	(ii) Long-term provisions	13	126.17	125.48
	Total non-current liabilities		228.54	232.44
	2. Current liabilities			
	(i) Financial liabilities			
	(a) Short-term borrowings	14	4,954.23	4308.83
	(b) Trade payables	15		
	Total Outstanding dues to Micro enterprises and small enterprises		238.78	-
	- Total Outstanding dues to creditors other than Micro enterprises and small enterprises		4,557.37	3170.04
	(c) Other financial liabilities	16	167.47	138.73
	(ii) Other current liabilities	17	254.82	699.27
	(iii) Short-term provisions	18	151.66	241.89
	Total current liabilities		10,324.33	8,558.76
	Total		20,799.94	18,659.71

 For Mullapudi & Co.,
 Chartered Accountants
 Firm Reg. No: 0067075

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

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

 Sd/-
(Oduru Babu Reddy)
 Chief Financial Officer

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

 Sd/-
(Shabnam Siddiqui)
 Company Secretary


Statement of Profit and Loss for the year ended 31st March 2019

Rupees in Lakhs

Sl. No	Particulars	Note No	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
			31.03.2019	31.03.2018
	Income			
I	Revenue from operations (Gross)	19	17,644.91	14,571.74
II	Other income	20	249.80	223.29
III	Total Income (I+II)		17,894.71	14,795.03
IV	Expenses			
	Cost of materials consumed			
	Purchase of Stock In Trade	21	9,232.71	7,764.80
	Change in inventories	22	151.54	(602.72)
	Technical & Operation expense	23	3,709.38	3,487.37
	Employee benefit expenses	24	2,587.75	2,571.21
	Finance costs	25	709.30	718.89
	Depreciation and amortization expenses	1	254.69	254.19
	Other expenses	26	653.07	370.99
	Total Expense		17,298.44	14,564.73
V	Profit /(Loss) before Exceptional Items and tax (1-VI)		596.27	230.30
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax (V-VI)		596.27	230.30
VIII	Tax expense			
	1) Current tax		269.15	89.13
	2) Earlier years Taxes		-	(12.00)
	3) Deferred tax (Net)		(40.54)	(4.43)
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		367.66	157.60
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discontinuing operations		-	-
XII	Profit/(Loss) from discontinuing operations (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX-XII)		367.66	157.60
XIV	Other Comprehensive Income			
	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		16.35	-
	Less: (ii) Income tax relating to items that will be reclassified to profit or loss		5.46	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit /(Loss) and Other Comprehensive Income for the period		378.55	157.60
XVI	Earnings per equity share Rs10/- (for continuing operations)			
	1) Basic		2.94	1.26
	2) Diluted		2.94	1.26
XVII	Earnings per equity share Rs10/- (for discontinuing operations)			
	1) Basic		2.94	1.26
	2) Diluted		2.94	1.26

 For Mullapudi & Co.,
 Chartered Accountants
 Firm Reg. No: 0067075

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

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

 Sd/-
(Oduro Babu Reddy)
 Chief Financial Officer

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

 Sd/-
(Shabnam Siddiqui)
 Company Secretary


Cash Flow Statement for the Financial Year 2018-19
(Rs. in lakh.)

Particulars	2018-19	2017-18
A. Cash flow from operating activities		
Net Profit before tax as per Profit & Loss Statement	596.27	230.30
Adjustments for:		
Depreciation and amortisation	254.69	254.19
Sundry Credit balances Written Back	281.64	18.56
Interest Income	(57.49)	(45.55)
Bad Debts written Off	201.05	145.02
Finance Cost	(709.30)	(718.89)
Changes in Assets and Liabilities		
Trade receivable	(2,126.95)	2,311.09
Other financial assets and other assets	(84.89)	66.49
Other Non Current Assets	(224.64)	177.34
Other Current Assets	73.49	403.42
Inventories	151.54	(602.71)
Trade payables	1,344.47	(2,635.30)
Long Term Provisions	0.69	28.42
Long Term Borrowings	(4.59)	39.30
Other Current Liabilities	(422.64)	75.04
Short Term Provisions	(90.23)	(26.07)
Other financial liabilities	28.74	(5.47)
Cash generated from operations	(788.15)	(284.82)
Income Tax paid	(274.61)	(77.13)
Net Cash Generated by operating activities	(1,062.76)	(361.95)
B. Cash flow from investing activities		
Property Plant & Equipment	(11.10)	(32.48)
Interest Income	57.49	45.55
Net cash flow from Investing activities	46.39	13.07
C. Cash flow from Financing activities		
Short term borrowings(net)	645.40	(215.17)
Interest Paid	709.30	718.89
Net cash flow from Financing activities (C)	1,354.70	503.72
Net increase in Cash and cash equivalents (A+B+C)	338.33	154.84
Opening balance of Cash and cash equivalents	968.40	813.56
Closing balance of Cash and cash equivalents	1,306.73	968.40
Components of Cash and Cash Equivalents		
Cash and cheques on Hand	1.06	1.30
Balances with Banks		
- On Current Accounts	386.66	390.38
- On Deposit Accounts	919.01	576.72
Cash and cash Equivalent as per Note 16	1,306.73	968.40

For Mullapudi & Co.,
Chartered Accountants
Firm Reg. No: 0067075

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

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

Sd/-
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Chief Financial Officer

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

Sd/-
(Shabnam Siddiqui)
Company Secretary



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, 2019 and year ended March 31, 2018 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 the accrual basis as stated in the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies

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 recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

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

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

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

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

Freehold land is not depreciated.

8. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16's requirement for cost model. An investment property is derecognised upon disposal or when the investment property is

permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

9. Intangible assets

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

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

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

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

10. Impairment of assets

Intangible assets and property, plant and equipment:

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

11. Employee Benefits

Short term employee benefits:

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



short term employee benefits and are expensed in the period in which the employee renders the related service.

Post-employment benefits:

Provident Fund

The Company makes contribution to Provident Fund administered by the Central Government under The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and recognised the same as an expense in the profit and loss account.

Gratuity

For defined post-employment benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. 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 recognised in other comprehensive income in the period in which they occur. Re measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

12. Leases

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

(i) Finance leases

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

(ii) Operating leases:

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

- a) Lease rentals on assets under operating lease are

charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

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

13. Financial Instruments

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

13.1 Financial assets

Financial asset is

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



- ◆ The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- iv) Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
- v) Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.
- vi) Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of derecognition and the consideration received is recognised in profit or loss.
- C. Impairment of financial assets: The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss

experience as permitted under Ind AS 109
Impairment loss on investments

13.2 Financial liabilities

Financial liability is Contractual Obligation to

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

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

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

13.3 Fair value of financial instruments

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

13.4 Fair value measurement

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

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

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



14. Inventories

Inventories are valued after providing for obsolescence, as under:

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

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

15. Cash and bank balances

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

16. Borrowing Costs

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

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

17. Foreign currencies

- i) The functional currency and presentation currency of the Company is Indian Rupee.
- ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that

are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

- a) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- b) exchange differences on transactions entered into in order to hedge certain foreign currency risks.

18. Taxes on income

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

Current Tax

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

Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

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

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- a) the Company has a present obligation (legal or constructive) as a result of a past event;



- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

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

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

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

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

20. Statement of Cash Flows

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

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

Cash comprises cash on hand and demand deposits with banks.

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

21. Earnings Per Share:

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

22. Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and

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

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/ amortisation for future periods is revised if there are significant changes from previous estimates. During the current year, there has been no change in life considered for the assets.

Recoverability of trade receivables

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

Estimation of net realizable value of inventories

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

Provision for employee benefits

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

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.


Notes forming part of the Financial Statements
1. PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1-Apr-18	Additions during the year	Deletions during the year	Upto 31-Mar-19	As at 1-Apr-18	For the Period	Deletions during the year	Upto 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
i. TANGIBLE										
Land	2,536.95	-	-	2,536.95	-	-	-	-	2,536.95	2,536.95
Buildings	558.09	-	-	558.09	78.36	10.25	-	88.61	469.48	479.73
Plant and Equipment	5,427.10	13.14	11.80	5,428.44	5,357.70	67.93	2.97	5,422.66	5.78	69.40
Furniture and Fixtures	243.05	4.25	-	247.30	185.23	13.25	-	198.48	48.82	57.82
Vehicles	100.94	-	-	100.94	56.40	8.64	-	65.04	35.90	44.54
Office equipment	25.07	2.54	-	27.61	22.52	0.97	-	23.49	4.12	2.55
Electrical & Fixtures:	272.46	-	-	272.46	189.78	13.30	-	203.08	69.38	82.68
Capital Assets on Projects Division	1,082.88	-	-	1,082.88	942.53	140.35	-	1,082.88	-	140.35
Total	10,246.54	19.93	11.80	10,254.67	6,832.52	254.69	2.97	7,084.24	3,170.43	3,414.02
*Previous Year	10,214.06	32.48	-	10,246.54	6,578.33	254.19	-	6,832.52	3,414.02	-

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31.03.2019	As at 31.03.2018
	FINANCIAL ASSETS		
2.	OTHER FINANCIAL ASSETS		
	Security and other Deposits	300.87	223.95
	Total	300.87	223.95
3	OTHER NON CURRENT ASSETS		
	(Unsecured, Considered good)		
	Bank deposits maturity of more than 12 months	294.38	69.74
	Total	294.38	69.74
4.	Deferred tax Asset (net)		
	On account of Fixed Assets	63.87	14.82
	On account of Income tax disallowances	171.16	185.13
	Total	235.03	199.95
5.	INVENTORIES		
	(a) Raw-materials	-	-
	(b) Trading Goods	639.53	567.88
	(c) Consumables	253.25	-
	(d) Work-in-progress	170.66	647.10
	Total	1,063.44	1,214.98
6.	TRADE RECEIVABLES		
	a) Considered Good - Secured	-	-
	b) Considered Good - Unsecured	13,711.37	11,681.95
	c) Trade Receivables which have significant increase in credit risk	-	-
	d) Trade Receivables credit Impaired	-	-
	Less: Credit Loss Allowance	(146.84)	(43.32)
	Total	13,564.53	11,638.63


Rs.in lakhs

Sl. No.	Particulars	As at 31.03.2019	As at 31.03.2018
7.	CASH AND CASH EQUIVALENTS		
	(i) Cash on hand	1.06	1.30
	(ii) Balances with Banks		
	In current accounts	376.26	376.99
	In Dividend account	10.40	13.39
	In Marging Money Deposits	919.01	576.72
	Total	1,306.73	968.40
8.	OTHER FINANCIAL ASSETS		
	Accrued Interest	22.22	14.24
	Total	22.22	14.24
9.	OTHER CURRENT ASSETS		
	(Unsecured and considered good)		
	(a) Advance to Suppliers / Service Providers	263.30	352.04
	(b) Staff Advances	1.11	0.70
	(c) Advance for Expenses	2.89	5.76
	(d) Prepaid expense	178.42	98.97
	(e) Balances with government authorities	396.59	458.33
	Total	842.31	915.80

10 Share capital
Rs.in lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares	Amount	Number of shares	Amount
AUTHORISED	250.00	2,500.00	250.00	2,500.00
Equity Shares of Rs 10/- each				
ISSUED, SUBSCRIBED & FULLY PAID UP	125.12	1,251.19	125.12	1,251.19
Equity shares of Rs 10/- each				
Total	125.12	1,251.19	125.12	1,251.19

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

Name of the Shareholder	As at 31.03.2019		As at 31.03.2018	
	Number of shares held	% out of total number of shares of the company	Number of shares held	% out of total number of shares of the company
Tummala Gopichand	23.97	19.15%	23.97	19.15%
Tummala Pavana Devi	11.75	9.39%	11.75	9.39%
Tummala Rajshekhar	10.24	8.19%	9.07	7.25%
Tummala Madhu Mitra	8.41	6.72%	8.41	6.72%

10.2 Reconciliation of number of shares
In lakhs

Name of the Shareholder	As at 31.03.2019		As at 31.03.2018	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	125.12	1,251.19	125.12	1,251.19
Add: Shares issued during the year	-	-	-	-
	125.12	1,251.19	125.12	1,251.19
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	125.12	1,251.19	125.12	1,251.19


11 OTHER EQUITY

Rs.in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Securities Premium		
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	851.00	851.00
General Reserve		
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	3,834.76	3,834.76
Surplus in Profit and Loss Account		
Figures as at the end of the previous reporting period	3,931.57	3,773.96
Add: Profit for the year / period	367.66	157.60
Other Comprehensive Income Net of Tax	10.89	-
Figures as at the end of current reporting period	4,310.12	3,931.56
Total of Reserves and Surplus	8,995.88	8,617.32
12 Long term borrowings		
Term loans		
From Banks	3.66	18.23
From Directors	98.71	88.73
Total	102.37	106.96
13 Long term provisions		
Provision for employee benefits:		
Gratuity	126.17	125.48
Total	126.17	125.48
14 Short term borrowings		
- Secured		
(a) Loans repayable on demand from banks	14.57	13.15
(b) Cash credit	4,287.49	4,295.68
- Unsecured		
(a) Loans repayable on demand from Others	652.17	-
Total	4,954.23	4,308.83

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

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



- 14.2** Loans from Promoter Director, Mr. T. Gopichand carry interest @ 12% p.a.
- 14.3** Loan of Rs 300.44 lakhs from Siri Suns Entertainment Private limited is secured by mortgage of promoter Director's land at Gagillapur Villege and loan of Rs 351.73 lakhs from Avro Commercial Company Limited is secured by pledge of promoters shares.

Sl. No.	Particulars	As at 31.03.2019	As at 31.03.2018
15	Trade Payables		
	- Total Outstanding dues to Micro enterprises and small enterprises	238.78	-
	- Total Outstanding dues to creditors other than Micro enterprises and small enterprises	4,557.37	3,170.04
	Total	4,796.15	3,170.04
16	Other financial liabilities		
	Retention money	81.74	125.34
	Unpaid Dividend	10.40	13.39
	Other Payables	75.33	-
	Total	167.47	138.73
17	Other current liabilities		
	Advance from customers / Mobilisation advances		
	Statutory dues	125.08	524.60
	Other payables	129.74	174.67
	Total	254.82	699.27
18	Short-term provisions		
	Provision for employee benefits:		
	Gratuity	41.34	21.16
	Provision- others:		
	- Provision for SLA's	110.32	220.73
	Total	151.66	241.89
Sl. No.	Particulars	Figures as at the end of the current Year 31.03.2019	Figures as at the end of the previous Year 31.03.2018
19	REVENUE FROM OPERATIONS		
	Sales of Goods	9,410.45	9,671.27
	Sale of Services	7,951.17	4,881.91
	Other Operating Revenue	283.29	18.56
	Total	17,644.91	14,571.74
20	OTHER INCOME		
	Interest income	57.49	45.55
	Rental Income	192.31	177.74
	Total	249.80	223.29
21	PURCHASE OF STOCK IN TRADE		
	Purchase	9,232.71	7,764.80
	Total	9,232.71	7,764.80
22	CHANGES IN INVENTORIES		
	INVENTORIES AT THE BEGNNING OF THE YEAR		
	Raw Materials	-	-
	Traded Goods	567.88	319.38
	Consumables	-	-
	Work-in-progress	647.10	292.88
	Total (A)	1,214.98	612.26



INVENTORIES AT THE END OF THE YEAR		
Raw Materials	-	-
Traded Goods	639.53	567.88
Consumables	253.25	-
Work-in-progress	170.66	647.10
Total (B)	1,063.44	1,214.98
(Increase) / Decrease in Stocks (A) - (B)	151.54	(602.72)
23 TECHNICAL & OPERATION EXPENSES		
Power and Fuel	20.71	23.13
Software Development Charges	1,508.55	1,705.83
Rent Charges	31.95	68.31
Consumables	4.36	19.57
Insurance	5.06	16.44
Repairs & Maintenance	40.55	85.97
Transport Charges	6.79	1.41
Subcontract & Other Work Charges	2,091.41	1,566.71
Total	3,709.38	3,487.37
24 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and other benefits	2,387.79	2,373.33
Contribution to Provident Fund & other Funds	194.01	192.61
Staff Welfare Expense	5.95	5.27
Total	2,587.75	2,571.21
25 FINANCE COST		
Interest	524.14	581.03
Other borrowing cost	185.16	137.86
Total	709.30	718.89
26 OTHER EXPENSES		
Rates and Taxes	46.83	32.17
Office Maintenance	9.70	8.30
Communication Expense	5.63	13.57
Conveyance Expense	2.12	3.14
Travelling, Boarding & Lodging Expense	33.83	32.37
Printing and Stationery	2.46	1.27
Professional & Consultancy Expense	17.60	18.23
Security Charges	2.68	7.35
Directors' sitting fee	5.11	4.69
Payment to Auditors		
Statutory Audit fee	9.00	9.00
Advertisement Expense	1.41	1.31
Bad Debts Written off	1.83	145.02
Recoveries for SLA Non-Deliverables	199.22	-
Business Promotion	7.94	8.30
Bank Charges and Others	1.56	25.72
CSR Expenses	20.58	23.16
Liquidated damages	199.49	35.18
Provision on SLAs	(110.41)	(25.83)
Interest on late payment/ penalty	68.03	-
Expected Credit Loss	103.52	-
Miscellaneous Expense	24.94	28.04
Total	653.07	370.99


27 Contingent Liabilities and Commitments not provided for
(Rs. in Lakhs)

Particulars	As at March 31.03.2019	As at March 31.03.2018
(A) Contingent Liability		
(a) Matters under litigation		
Claims against the Company not acknowledged as debt		
Service Tax		
Disputed Service Tax Liability for which the company has filed an appeal with CESTAT-Hyderabad	830.98	830.98
Sales tax		
Disputed VAT liability for which the Company has filed an appeal with 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
Disputed VAT liability for which the Company has filed an appeal with Appellate Deputy Commissioner of Commercial Tax, Tirupathi.	21.45	-
(b) Impact of pending legal suits in various courts: The Company is a party to several legal suits on contract terms related disputes, pending before various courts in India as well as arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes / litigations until the cases are decided by the appropriate authorities	- Amount not ascertainable	- Amount not ascertainable
(c) Guarantees		
Bank Guarantees issued by banks on behalf of Company	8930.57	3006.01
(B) Commitments	NIL	NIL

28 Employee Benefits

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

Description	2018-19 (Rs in lakh)	2017-18 (Rs in lakh)
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	146.64	118.46
b. Current Service Cost	28.11	33.06
c. Interest Cost	11.32	9.48
d. Actuarial (Gain)/Loss	(16.35)	(7.88)
e. Past services cost	-	-
f. Benefits Paid	(2.21)	(6.48)
g. Obligation as at the end of the year	167.51	146.64
2. Expense recognized in the period		
a. Current Service Cost	28.11	33.06
b. Interest Cost	11.32	9.48
c. Actuarial(Gain)/Loss	0.00	0.00
d. Past service cost	0.00	0.00
e. Expense recognized during the year	23.08	34.66
3. Assumptions	%	%
a. Discount Rate (per annum) as at the end of the year	7.65	7.72
b. Salary Rise	2.00	2.00
c. Attrition Rate	1.00	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-19 (Ind AS-19)		31-Mar-18 (Ind AS-19)	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	1,67,51,264		1,46,63,953	
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,83,71,448 9.67	1,53,83,668 -8.16	1,60,73,778 9.61	1,34,73,185 -8.12
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1,48,22,768 -11.51	1,90,84,698 13.93	1,29,94,800 -11.38	1,66,89,175 13.81
Attrition Rate (- / + 1%) (% change compared to base due to sensitivity)	1,49,14,115 -10.97	1,83,94,630 9.81	1,30,31,780 -11.13	1,61,22,472 9.95
Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	1,66,99,359 -0.31	1,68,03,071 0.31	1,46,18,606 -0.31	1,47,09,121 0.31

29 Segment Reporting

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

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


a. Business Segments :
Year ended March 31, 2019 and 2018
(Rs in Lakhs)

	Integrated Solutions	Technical Division	Projects Division	Others	Unallocable	Total
Revenues	8,131.84	2,602.50	6,910.57	-	-	17,644.91
	8,221.93	2,636.08	3,713.72	-	-	14,571.73
Identified operating expenses	8,050.13	2,302.08	5,170.15	-	-	15,522.36
	7,222.32	2,356.35	3,470.74	-	-	13,049.41
Allocated Expenses	2.08	-	147.92	-	-	150.00
	4.19	-	120.88	-	-	125.07
Segmental operating income	79.63	300.42	1,592.50	-	-	1,972.55
	995.42	279.73	122.10	-	-	1,397.25
Unallocable expenses					916.77	916.77
					671.34	671.34
Operating income						1,055.78
						725.91
Other income/(expenses), net					192.31	192.31
					177.74	177.74
Net profit before Interest						1,248.09
						903.65
(Less): Interest Expenses					709.30	709.30
					718.90	718.90
Add: Interest Income					57.49	57.49
					45.55	45.55
Net profit before taxes						596.28
						230.30
Income Taxes						217.73
						72.69
Net Profit after taxes						378.55
						157.61
Other Information						
Segment Assets	1,519.11	780.76	11,419.97		5,453.94	19,173.78
	1,551.94	765.70	10,098.31		4,739.89	17,155.83
Segment Liabilities	677.89	559.06	2,256.91		15,679.93	19,173.79
	652.28	758.69	882.58		14,862.26	17,155.82
Capital Expenditure	-	-	19.93			19.93
	-	-	32.48	-	-	32.48
Depreciation	-	-	206.57	-	48.12	254.69


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 & Mr. T.Gopichand (HUF)	Key Management Personnel (Vice Chairman & Managing Director), Spouse of Mrs. T. Pavana Devi & Brother of Mr. 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 Mr. T. Gopichand Vice Chairman & Managing Director	YES
Mr. T. Girish	Son of Mr. T.Bapaiah Chowdary, Director	YES
Mrs. T. Vindhya	Daughter-in-law of Mr. T.Gopichand (Vice Chairman & Managing Director) & Smt T. Pavana Devi, Director	YES


Transactions with Related parties:

Name of the related party	Mr. T. Gopichand & Mr.T.Gopichand (HUF)	Mrs.T. Pavana Devi	Mr.T.Bapaiah Chowdary	Mr. T. Madhu Mitra, Mrs.T.Vindhya & Mr. T. Girish
Description of the nature of transactions	a) Remuneration b) Unsecured Loan Received c) Interest on unsecured loan	a) Sitting Fees b) Interest on unsecured loan.	a) Sitting Fee b) Supply of Goods	Salary
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of Rs 84.00 lakhs (84.00 Lakhs) b) Rent paid for Office Premises Rs NIL (Rs. 10.71 lakhs) c) Unsecured Loan Received of Rs.NIL Received (Rs.74.00lakhs) Received. d) Interest on unsecured loan of Rs.11.09 Lakhs (7.30) lakh e) Loan repaid of Rs.NIL (Rs.11.00 Lakhs)	a) Sitting Fee Paid Rs. 0.65lakhs. (Rs.0.75lakh) b) Interest on unsecured loan of Rs.NIL (Rs.0.73lakhs) c) Loan repaid of Rs. NIL (Rs.17.00 Lakhs)	a) Sitting Fee Paid Rs.0.82 lakhs. (Rs.0.58 lakhs) b) Total transaction value is Rs.17.84 Lakhs (Rs.12.79 Lakhs)	Salary of Rs 10.24 lakh, Rs.7.80 lakhs and Rs.6.48 respectively.(Rs.9.49, 5.20 and 6.09 Lakhs Respectively)
Any other elements of the related party transactions	NIL	NIL	NIL	NIL
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	a) Managerial Remuneration Payable Rs 170.00 lakhs (Rs 153.94 lakhs) b) Unsecured Loan including interest Rs 98.70 lakhs (Rs.88.73 lakh)	NIL	NIL	Salary Payable of Rs 0.75 lakhs, Rs 0.57 lakhs and Rs. 0.50 Lakhs respectively.
Provisions for doubtful debts due from such parties at that date and amounts written off or written back in the period in respect of debts due from or to related parties	NIL	NIL	NIL	NIL


31 Financial instruments:
Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"
Capital Management

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

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

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

The following table summarizes the capital of the Company:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.04.2019
A. Equity	10,247.07	9,868.53
B. Net debt		
Short-term borrowings and current portion of long-term debt	4954.23	4,308.83
Add: Long-term debt	102.37	106.96
Less: Cash and cash equivalents	387.72	391.68
B. Total Net Debt	4668.88	4,024.11
Total capital (A +B)	14,915.95	13,892.62

Market risk

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

Interest rate risk

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

Foreign currency risk

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

We summarize below the financial instruments which have the foreign currency risks as at March 31, 2019, March 31, 2018

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:

(In Lakhs)

Currency	Liabilities		Advances	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
USD	8.81(INR 609.46)	12.19 (INR 793.24)	1.73 (INR 119.60)	-


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

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2019	As at March 31, 2018
	USD	USD
2% Depreciation in INR		
Impact on P&L	(14.58)	(15.86)
Total	(14.58)	(15.86)
2% Appreciation in INR		
Impact on P&L	14.58	15.86
Total	14.58	15.86

Credit risk management

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

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

Liquidity risk management

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

32 Other 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 31.03.2019	As at 31.03.2018
	Measured at Amortised cost		
i)	Financial Assets		
	a. Trade receivables	13,564.53	11,638.63
	B. Cash & Cash Equivalents and bank balances(Includes Marging Money Deposits)	1306.73	968.40
	c. Other financial assets	323.09	238.19
	Total	15,194.35	12,845.22
ii)	Financial Liabilities		
	Measured at Amortised cost		
	a. Borrowings	4,954.23	4,308.83
	b. Trade payables	4,796.15	3,170.04
	c. Other financial liabilities	269.84	245.69
	Total	10,020.22	7,724.56


(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 31.03.2019			As at 31.03.2018		
	Within Twelve Months	After Twelve Months	Total	Within Twelve Months	After Twelve Months	Total
Borrowings	4954.23	-	4954.23	4,308.83	-	4,308.83
Trade payables	4796.15	-	4796.15	3,170.04	-	3,170.04
Other financial Liabilities	167.47	102.37	269.84	138.73	106.96	245.69

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 liability as at March 31, 2019 comprise of the following:
(Rs in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
A Deferred Tax Liability		
1 Related to fixed assets	58.41	14.82
B Deferred Tax Assets		
1 Disallowance under the Income tax Act, 1961	176.62	185.13
C Deferred tax Liability/(Asset) (net)	235.03	199.95



- 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:

Particulars	As at 30.03.2019	As at 30.03.2018
Principal amount remaining unpaid	238.78	-
Delayed payments due as at the end of each accounting year on account of Principal	166.99	-
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.	5.96	-
Interest accrued and remaining unpaid as at March 31	5.96	-
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.	5.96	-

35 Earnings Per Share

Particulars	2018-19	2017-18
Net Profit After Tax (Rs in lakhs)	367.66	157.60
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.)	2.94	1.26

- 36** Figures for the corresponding year ended March 31, 2018, wherever necessary, have been regrouped, recast, rearranged as per the Schedule III of Companies Act, 2013.

As per our report of even date

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

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

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/-
(Shabnam Siddiqui)
Company Secretary

Place: Hyderabad
Date : 24.05.2019



TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

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

Tel.Nos.040-23547447

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company on Thursday, 26th September, 2019 at 11.00 AM at Jubilee Hills International Center, Road No. 14, Jubilee Hills, Hyderabad-500033.

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

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



TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

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

Tel.Nos.040-23547447

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

PROXY FORM

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

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

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

1) Name :

Address :

E-mail ID :

Signature : or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the Thursday, 26th September, 2019 at 11.00 A.M. at Jubilee Hills International Center, Road No: 14, Jubilee Hills, Hyderabad-500033, and at any adjournment thereof in respect of such resolution as are indicated below:

Sl. No	Resolutions	Vote	
		For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Standalone Balance Sheet as at March 31, 2019, Statement of Profit and Loss for the financial year ended on March 31, 2019, Cash Flow Statement for the financial year ended March 31, 2019 and reports of Directors and 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 herself for re-appointment.		
3.	To re-appoint Dr. Hanuman Chowdary Tripuraneni (DIN: 00107006 AGE: 87) as an Independent Director		
4.	To re-appoint Mr. Ramalingappa Shivabasappa Bakkannavar ((DIN: 00108720 AGE:77 years) as an Independent Director		
5.	To re-appoint Mr. Surapaneni Sree Rama Koteswara Rao (DIN: 00964290 AGE: 76) as an Independent Director		
6.	To re-appoint Mrs. Thozuvanoor Vellat Lakshmi (DIN: 00003020 AGE: 60) as an Independent Director		

Signed this.....day.....of 2019

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

**Affix
Revenue
Stamp**

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



TERA SOFTWARE LIMITED

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

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

LOCATION ROUTE MAP



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