

TERA SOFTWARE LIMITED

8-3-1113/2B, Kesava Nagar, Srinagar Colony, Hyderabad - 500 073.

Quarterly Compliance Report On Corporate Governance

Name of the Company : Tera Software Limited
 Quarter Ending On : 30th June 2009

| Particulars | Clause Of Listing Agreement | Compliance Status | Remarks |
|--|-----------------------------|-------------------|--|
| (1) | (2) | (3) | (4) |
| I. Board Of directors | 49 I | | |
| (A) Composition of Board | 49 (IA) | YES | List Enclosed |
| (B) Non Executive Directors' Compensation & Disclosures | 49 (IB) | YES | |
| (C) Other provisions as to Board & Committees | 49 (IC) | YES | |
| (D) Code of Conduct | 49 (ID) | YES | Adopted at the Meeting of the Board of Directors held on 21.01.2006. |
| II. Audit Committee | 49 II | YES | |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | YES | 1. Sri D.Seetharamaiah, 2. Sri K. Rama Rao and 3. Sri R.S.Bakkannavar. |
| (B) Meeting of Audit Committee | 49 (IIB) | YES | The last Meeting was held on 25.04.2009. |
| (C) Powers of Audit Committee | 49 (IIC) | YES | Endorsed by the Board at the meeting held on 28.05.2005. |
| (D) Role of Audit Committee | 49 (IID) | YES | Endorsed by the Board at the meeting held on 28.05.2005. |
| (E) Review of Information by Audit Committee | 49 (IIE) | YES | Periodically done. |
| III. Subsidiary Companies | 49 (III) | Not Applicable | |
| IV. Disclosures | 49 (IV) | | |
| (A) Basis of related party transactions | 49 (IVA) | YES | |
| (B) Disclosures of Accounting Treatment | 49 (IVB) | Not Applicable | |
| (C) Board Disclosures | 49 (IVC) | YES | |
| (D) Proceeds from Public Issue, Rights Issue, Preferential Issues etc. | 49 (IVD) | Not Applicable | |
| (E) Remuneration of Directors | 49 (IVE) | YES | Approved by members at their meeting held on 29.09.2006 |
| (F) Management | 49 (IVF) | YES | Information will be published in the Annual Report |
| (G) Shareholders | 49 (IVG) | YES | |
| V. CEO/CFO Certificate | 49 (V) | YES | The CEO/CFO Certification to the Board will be placed before the Board. |
| VI. Report on Corporate Governance | 49 (VI) | YES | Report on Corporate Governance will form part of the Annual Report of the Company. |
| VII. Compliance | 49 (VII) | YES | List Enclosed. |

Kindly acknowledge the receipt of tl

Thanking You,
 Yours truly,
for TERA SOFTWARE LIMITED

Sd/-

(Babu Reddy Oduru)
Manager - Secretarial

Place: Hyderabad
Date: 11.07.2009

Tera Software Limited
8-3-1113/2B, Kesava Nagar, Srinagar Colony, Hyderabad - 500 073.

DETAILS OF DIRECTORS OF TERA SOFTWARE LIMITED AS ON 30.06.2009

| Sl. No. | Name of the Director | Father's Name | Residential Address | Date of Birth/ Age(years) | Category |
|---------|---------------------------------|----------------------------|--|------------------------------|---|
| 1 | Sri. Tummala Gopichand | T. Raja Rao | Plot No. 146, Siddartha nagar, Hyderabad - 500 038 | 09.06.1959 | Promoter/Executive Director |
| 2 | Smt. T. Pavana Devi | Late K. Madhusudhana Rao | Plot No. 146, Siddartha nagar, Hyderabad - 500 038 | 22.06.1962 | Promoter/Executive Director |
| 3 | Sri N. Venkateswara Vara Prasad | N. Janardhana Rao | Plot No.441, Road No.80, Jubilee Hills, Hyderabad - 500 033. | 14.04.1960 | Promoter/Executive Director |
| 4 | Sri T. Bapaiah Chowdary | T. Raja Rao | Raja Bhavan, Morrispet, Tenali, Guntur Dist. | 21.11.1957 | Promoter/Non-Executive Director |
| 5 | Sri Devineni Seetharamaiah | D. Venkatramaiah | Flat Nos.403&404, Golden Green Apartments, Erramanzil,Hyd-82 | 22.04.1926 | Non-Executive and Independent Director |
| 6 | Sri Kavuri Rama Rao | K. Kanakaiah | H.No. 4-66, Kamala Nagar, Vanasthalipuram, Hyderabad. | 10.07.1947 | Non-Executive and Independent Director |
| 7 | Sri R.S. Bakkannavar | Late Sri S.G. Bakkannavar | Flot No. 306, Illrd floor, IRFAN Residency, #11-5-454, Red Hills, Hyderabad-500 004 | 17.06.1941 | Non-Executive and Independent Director |
| 8 | Sri T.H. Chowdary | Sri T. Balarama Krishnaiah | Plot No. 8, P&T Colony, Karkhana, Secunderabad | 18.10.1931 | Non-Executive and Independent Director |
| 9 | Smt. T.V. Lakshmi | Sri P. Viswanath Nair | 63, S.P. Colony, Trimulgherry, Secunderabad-500 015. | 01.01.1959 | Non-Executive and Independent Director |

for Tera Software Limited

Sd/-

(Babu Reddy Oduru)
Manager - Secretarial