

TERA SOFTWARE LIMITED

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

CIN: L72200TG1994PLC018391 Tel.Nos.040-23540446, 040 - 23547447/8 Fax: 040 - 23547449

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

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of Tera Software Limited will be held on Friday, 30th September, 2016 at 3.00 P.M. at Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills, Near Hi-tech city, Madhapur, Hyderabad- 500032 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sri T. Bapaiah Chowdary, (DIN: 00107795) who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the continuation of the Statutory Auditors.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 20th AGM held on 30 September, 2014 the appointment of M/s. Narven Associates, Chartered Accountants (Registration No. 005905S), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 23rd AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, schedule V and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Board be and is hereby accorded for re-appointment of Sri T. Gopichand as Managing Director of the company for a period of Five(5) years with effect from 1 September 2016, on the terms and conditions as specified below:

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

- e. Free communication facilities like Telephones/ Mobiles/Fax at residence.

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

6. **To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, schedule V and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Board be and is hereby accorded for the appointment of Sri K. Rama Rao as Whole Time Director of the Company for a period of upto 30th November, 2016 with effect from 1 September 2016, on the terms and conditions as specified below:

- i) Basic Salary: At the rate not exceeding ₹ 1,70,000/- per month
- ii) Perquisites:
 - a) Contributions to Provident Fund, Super Annuation fund as per the rules of the company.
 - b) Gratuity payable shall not exceed half month's salary for each completed year of service.
 - c) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the company.
 - d) Free use of Company's car with driver for official purposes only.
 - e) Free communication facilities like Telephones/ Mobiles/Fax at residence.

Such other perquisites and allowances in accordance with the rules of the company or as may be agreed between the Board of Directors and Sri K. Rama Rao.

7. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution**

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 Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification (s) or re-enactment thereof for the time being in force) or any amendment made thereto, the members of the Company accord approval for doubling limits of remuneration payable to managerial personnel specified in Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013 in case of Company having no profit or inadequate profit in any financial year to Sri T. Gopichand, Vice Chairman and Managing Director during the tenure of his appointment with authority to the Board or a Committee thereof to fix his salary within such maximum amount, with effect from 1 September, 2016 upto 3 years.

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

8. 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 Section 14 of and other applicable provisions if any, of the Companies Act, 2013 read with the rules made thereunder the approval of shareholders be and is hereby accorded, to insert the following Clauses in the Articles of Association:

- i) Inserting new Article 23(iv) as a sub clause to Article 23;
That option or right to call shares shall not be given to any person except with the sanction of the issuer in general meetings.
- ii) Inserting new Article 28(b) as a sub clause to Article 28;
Any amount paid up in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
- iii) Inserting new Article 31(iii) as a sub clause to Article 31;
The registration of registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.
- iv) Inserting new Article 31(iv) as a sub clause to Article 31;
“The common form of transfer shall be used for transfer of any Shares.”
- v) Inserting new Article 106(iv) as a sub clause to Article 106
“There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law”

By Order of the Board of Directors

Sd/-
(T. Gopichand)

Place: Hyderabad Vice Chairman and Managing Director
Date : 30.07.2016 DIN: 00107886

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the meeting, is annexed hereto.
2. A statement giving the relevant details of the Director seeking re-appointment under Item Nos. 5 & 6 of the accompanying Notice, as required by Sebi (Lodr) Regulations, 2015 is annexed herewith.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
4. Members / proxies are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. The Register of Members and Share Transfer Books will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive) for the purpose of Annual general Meeting.
6. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends.
7. Members who hold shares in dematerialised form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
9. 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.
10. 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.
11. The Company has engaged the services of Karvy Computershare Private Limited (“Karvy”) as the Agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> and instructions and other information relating to e-voting are given in this Notice under Note No. 15.
12. 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.
13. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
14. All documents referred to in the notice are open for inspection at the Corporate Office of the Company during office hours on all working days except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
15. **Information and other instructions relating to e-voting are as under:**
 - i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling them to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

- ii. 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.
 - iii. 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.
 - iv. 23rd September, 2016 is fixed as cut-off date for e-voting facility purpose and accordingly a person whose name is recorded in the register of members (either in physical form or in dematerialisation form) as on the cut-off date only are entitled to avail the e-voting facility based on the paid up value of shares held as on that date.
 - v. 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. 23rd September 2016, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1-800-34-54 001 or send an email request to e-voting@karvy.com or companysecretary@terasoftware.in
 - vi. The Board of Directors of the Company has appointed SriK.CH. Venkat Reddy of M/s C.V. Reddy K & Associates, Practicing Company Secretaries as Scrutiniser to scrutinise the insta poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as such.
 - vii. The Scrutiniser, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Annual General Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. Thereafter, the Chairman or any other person authorised by the Chairman, shall declare the result of the voting forthwith. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company www.terasoftware.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchange.
 - viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30th September 2016.
 - ix. Members are requested to note that the remote e-voting will open at 9.00 A.M. (IST) on September 26, 2016 and shall remain open till 5.00 P.M. (IST) on September 28, 2016 and the remote e-voting module will be disabled by Karvy after 5.00 P.M. on September 28, 2016.
 - x. The procedure and instructions for remote e-voting are as follows:
 - 1) In case a Member receives an email from Karvy Computershare Private Limited [for members whose email IDs are registered with the Depository Participants(s)]:
 - a. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - b. Enter the login credentials (i.e. User ID and password) which will be sent separately.
- However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the E-Voting Event Number for Tera Software Limited.
 - g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - h. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - i. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, members can login any number of times till they have voted on the Resolution(s).**
 - j. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to companysecretary@terasoftware.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format " _____ (Corporate Name) _____ (EVENT NO.)"

- 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 Sr. No. (a) to (j) as mentioned in (1) above, to cast your vote.
3. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

Explanatory statement pursuant to section 102 of the Companies Act, 2013.

Item No,5:

The members at their meeting held on 30.09.2011 approved the appointment and remuneration of the Vice Chairman & Managing Director for a period of five years w.e.f 01.09.2011.

The Nomination and Remuneration Committee on 28.05.2016 considered the reappointment and remuneration of Sri T. Gopichand, Vice Chairman & Managing Director as his term is expiring on 31.08.2016 and the Board of Directors at their meeting held on 28.05.2016 approved the re-appointment for a period of five years and remuneration with effect from 01.09.2016 as recommended by the Nomination and Remuneration Committee subject to the approval of members and other approvals.

The Board commends the resolution at item No.5 of the Notice for approval of the shareholders by a ordinary resolution

None of the directors are interested in the resolution as set out in the under Item No.5 of the Notice except Sri T. Gopichand, Vice Chairman & Managing Director.

Smt T. Pavana Devi is interested in the resolution at item No.5 concerning Sri T. Gopichand being spouse of Sri T. Gopichand.

Sri T. Bapaiah Chowdary is interested in the item No.5 being relative of Sri T. Gopichand.

Item No,6:

The Nomination and Remuneration Committee on 28.05.2016 considered the reappointment and remuneration of, Sri K. Rama Rao, whole Time Director as his term is expiring on 31.08.2016 and the Board of Directors at their meeting held on 28.05.2016 approved the reappointment for a period upto 30th November, 2016 and remuneration with effect from 01.09.2016 as recommended by the Nomination and Remuneration Committee subject to the approval of members and other approvals.

The Board commends the resolution at item No.6 of the Notice for approval of the shareholders by a ordinary resolution.

None of the directors are interested/deemed interested in the resolution as set out in the under Item No.6 of the Notice except Sri K. Rama Rao.

Item No.7

The members of the Company at the Annual General Meeting held on 30.08.2011 approved the appointment of Sri T. Gopichand, Vice Chairman and Managing Director for a period of five years and payment of remuneration in terms of Sections 198, 269, 309, 310 & 314 and schedule XIII of the Companies Act, 1956 and in any financial year the company incurs loss or its profits are inadequate the remuneration as specified in Paragraph 1(A) of Section-II of Part-II of Schedule-XIII of the Companies Act,1956.

The limits of yearly remuneration in case of loss or inadequacy of profits as set out under Schedule –V of the Companies Act, 2013 can be doubled with the consent of the members of the Company at the General Meeting if the resolution passed by the shareholders is a special resolution.

Sri T. Gopichand, Vice Chairman and Managing Director, Smt T. Pavana Devi and Sri T. Bapaiah Chowdary and their relatives may be deemed to be concerned or interested in the proposed Resolution set out at Item No.7 of the Notice convening the meeting.

Other than the aforesaid Promoter / Directors and their Relatives none of the other Directors, Key Managerial Personnel of the Company and their Relatives are interested or concerned whether financially or otherwise in the Resolution set out at Item No. 7 of the Notice convening the meeting.

The Board of Directors recommends the resolution set out at item No.7of the Notice for your approval.

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

I. GENERAL INFORMATION			
1. Nature of Industry	The Company operates in the areas of IT, ITES and various e-governance projects of Public Sector Undertakings, State Governments and Central Government of India. Your company implements the projects as System Integrator/PPP model (BOOT, BOO, BOMT).		
2. Date or expected date of commencement of commercial production.	The Company has commenced its commercial activities w.e.f. 26.09.1994.		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.		
4. Financial performance based on given indicators	(₹in lakhs)		
	Particulars	2014-15	2013-14
	Revenue	9,325.99	10,278.83
	Profit before tax	540.90	426.44
	Profit for the year	362.44	202.33
5. Foreign investments or collaborators, if any.	The Company is a listed entity and around 2.38% of equity is held by NRI/OCB.		
II. INFORMATION ABOUT THE APPOINTEE:			
1. Background details	: T. Gopichand - M.Tech in Electronics & Communication with 30+ years of experience in the IT industry. Worked with Electronic Corporation of India Limited for a period of 13 years. In ECIL, he was involved in the technical support of Main Frame Computers and participated in various projects like Power Plants Simulators at Rourkela, Demand Drafts Conciliation at State Bank of India, Delhi Electric Supply Undertaking. He had also extensively worked on Steel, Oil and Electricity projects. His leadership made this company as one of the pioneer in e-Governance projects and fast growing with domestic focus.		
2. Past remuneration	: Salary: ₹ 7,00,000 per month		
3. Recognition or awards	: NIL		
4. Job profile and his suitability	: Vice-Chairman & Managing Director and varied experience in the IT industry & related areas.		
5. Remuneration proposed	: Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate remuneration as specified in Schedule – V, Part-II- Section-II -para-A of the Companies Act,2013 be doubled with the approval of the Shareholders by passing a special resolution at the forthcoming general meeting.		
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	: The remuneration proposed is similar to the remuneration being drawn by persons with similar background in the IT industry & related areas.		
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	: T. Gopichand holds 31,66,554 shares in the Company, directly and 27,44,448 shares through his family and others aggregating to 47.24 % and is relative to Sri T. Bapaiah Chowdary, Smt T. Pavana Devi, Promoters/Directors of the Company and Sri T. Madhu Mitra, employee of the Company.		

III. OTHER INFORMATION :	
1. Reasons for loss or inadequate profits	: To deliver the services of enrolment under the national prestigious projects NPR (National Population Register) and UIDAI project, the Company has built a huge IT infrastructure. Due to the huge capital employed for future business, there were increases in financial costs, depreciation and coverage of service tax to the projects resulted in lesser net profits.
2. Steps taken or proposed to be taken for improvement	: Realisation of values to the extent of works executed by Tera Software will result in improvement of profit margins over a period of time.
3. Expected increase in productivity and profits in measurable terms.	: Same as above.

Item No.8

The Company has made an application with the National Stock Exchange(NSE) for listing the shares.

As per the NSE guidelines, the applicant Company who wish to list its shares with NSE, must contain the Articles as mentioned in item No. 8 above. In this light, it is hereby proposed to amend the Articles of Association to insert the articles as mentioned in the resolution to the item No.8.

The Board commends the resolution at item No.8 of the Notice for approval of the shareholders by a special resolution.

None of the directors are interested/deemed interested in the resolution as set out under Item No.8.

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

Name of Director	T.Gopichand	T. Bapaiah Chowdary	K.Rama Rao
Date of Birth	09/06/1957	20/11/1957	10/07/1947
Date of Appointment	01/09/2011	30/09/2000	01/09/2011
Qualification	M.tech	M.com	M.Sc
Expertise in specific functional areas	M.tech in Electronics & Communication with 30+ years of experience in IT industry.	Business man in agri industry.	Experience of over 34 years in various software projects. Executed projects in the area of banking, insurance, Accounting systems and System programming applications.
No. of Shares held in the Company	31,66,554	1,50,000	Nil
List of companies in which Directorship held as on 31.03.2016	Tera Life Health Care Technologies And Storage Solutions Private Limited	Nil	Tera Media Cloud Solutions Limited
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2016	Nil	Nomination & Remuneration Committee – Member Stakeholder Relationship Committee- Chairman	Nil

By Order of the Board of Directors

Place : Hyderabad
Date : 30 July, 2016

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