



TERA SOFT
Redefining IT Solutions



TERA SOFTWARE LIMITED

ANNUAL REPORT
2022-2023

BOARD OF DIRECTORS



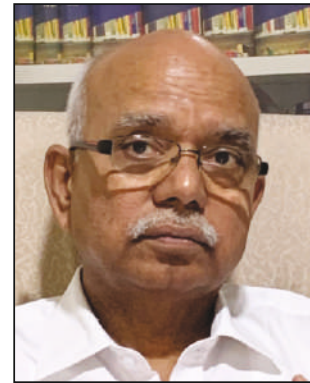
Sri T. Gopi Chand
Chairman & Managing Director



Dr. T. Hanuman Chowdary
Independent Director



Dr. T.V. Lakshmi
Independent Director



Sri. Divakar Atluri
Independent Director



Prof. Dr. Braja Bandhu Nayak
Independent Director



Sri. T. Bapaiah Chowdary
Non Executive Director



Smt. T. Pavana Devi
Non Executive Director

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A Bird's Eye View of Tera Software Limited

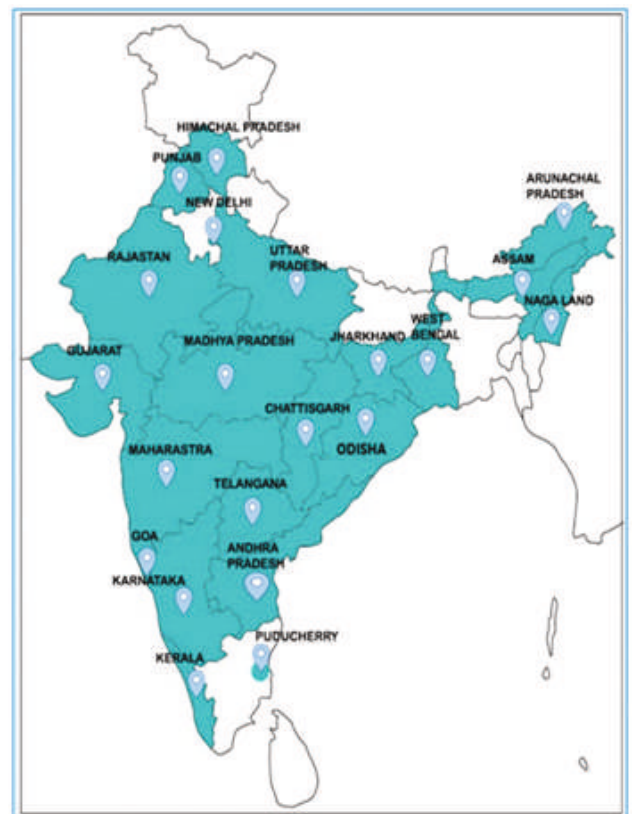
Tera Software Limited founded in the year 1994 by Mr. Gopichand Tummala and holds 47.53 % shareholding together with his family members as on 31st March, 2023. Tera Software Limited has emerged as one of India's leading IT and ITeS players in the e-Governance Industry and turnovers of INR 130.80 Cr for the FY 2022-23 and INR127.14 Cr for the FYs 2021-22. Tera Software has proved time and again that it is fully equipped to develop and implement state-of-the-art solutions for the ever-changing technological needs of the Government bodies in India.

Tera Software Limited is a Hyderabad based company providing services in E Governance and development of enterprise information systems for Sales Tax/GST, Public Distribution System, Registration, Education, Road Transports, Electricity Billing, UIDAI (AADHAAR) & NPR (National Population Register). TSL has the rare distinction of being a pure and dedicated Indian e-Governance company.

Tera Software Limited operations are in over 22 Indian States including Maharashtra, Karnataka, Jharkhand, Kerala, West Bengal, New Delhi, Gujarat, Himachal Pradesh, Rajasthan, Goa, Nagaland, Puducherry, Madhya Pradesh, Uttar Pradesh, Assam, Andhra Pradesh, Odisha.

Tera Software Service Profile covers

- Public Distribution System (Ration Cards)
- Sales Tax Automation (eChallans)
- Registration of Land Records
- Road Transport and Vehicle Registration Authorities
- Total Revenue Management & Spot Billing System
- Computer Education in Schools
- FiberNet – Fiber Network Infrastructure
- Modern Record Rooms Preparation
- AADHAAR – Enrolment of Citizens of India
- NPR – Creation of National Population Register
- Common Services Centres
- IT Infrastructure & related Facility management of Government Departments
- Smart Metering
- Smart Cities Mission



Maintenance and Operations of Ongoing Projects

Odisha BharatNet Phase-II Project

Tera Software had completed prestigious Odisha BharatNet Phase-II project for Survey, Design, Planning, Supply, Installation, end-to end Integration, testing & commissioning of OFC (Aerial) GPON Network in 3065 GPs covering 20427 Kms across the state and Comprehensive Annual Maintenance Contract (AMC) for a period of 5 years from 2022.

Davanagere Smart City Project

In the new domain of Smart Cities, Tera Software had bagged PAN City ICT Smart City Project of Davanagere, Karnataka and successfully implemented it with Command Control Centre (CCC), Secondary Command Control Centre (SCCC) and other ICT Components such as City Surveillance System, Integrated Traffic Management System (ITMS), Variable Message Sign (VMS) Boards, Public Address System (PAS), Environmental Sensors, E-Learning Centers, HelpDesk (One City-One Number), & so on for a period of 5 years from December, 2022.

PVVNL Spot Billing System Project (Sep 2021 – Aug 2024)

Tera Software had bagged Spot Billing System Project from Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) for Door to Door Meter Reading, On-Spot Bill Generation, Bill Distribution and Bill Collection in Cluster-1 (Meerut, Saharanpur and Noida Distribution Zone of PVVNL) for a project value of Rs.169.66 Cr. for a period of 3 years serving a monthly consumer base of 28,22,226 nos.

DVVNL Spot Billing System Project (Sep 2021 – Aug 2024)

Tera Software had bagged Spot Billing System Project from Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) for Door to Door Meter Reading, On-Spot Bill Generation, Bill Distribution and Bill Collection in Cluster-5 (Agra-I, Agra-II and Aligarh Distribution Zone of DVVNL) for a project value of Rs.166.32 Cr. for a period of 3 years serving a monthly consumer base of 27,87,780 nos.

E-Mahabhoomi Project (Dec 2022 - Aug 2024)

Tera Software had bagged e-Mahabhoomi Project from BEL for “Scanning & Digitization of Cadastral Maps in 19 districts of Maharashtra” for Land Records Dept., with a project value of Rs.46.70 Cr. for a period of 20 months.

Modern Record Rooms Project

Tera Software successfully implemented ‘Preparation of Modern Record Rooms Project’ for Dept. of Revenue, Govt. of Jharkhand in 38 locations in first phase of the project by Scanning and Digitization of land and revenue records using Document Management Software, supply & installation of requisite hardware and maintenance of the same for a period of 5 Years from 2017.

Quality Philosophy

Tera Software is committed to customer satisfaction, we provide clients with the highest quality products consistent with professional standards. In the E Governance solutions group of Tera Software Limited, a significant portion of time is set-aside for setting up the quality assurance process and implementing whatever measures are needed specific to the project.

Tera Software Security Policy

Tera Software committed to implement adequate and appropriate information security controls, towards security obligations to protect interests of customers and other stake holders. Assurance and ensuring of confidentiality, integrity and availability of information and information processing infrastructure to protect the interests of all its stakeholders is paramount to Tera Software.

With information security as an objective, systems, processes, infrastructure, and training for risk assessment, business continuity planning and disaster recovery mechanism and structure are continually reviewed for adequacy and improvement to meet information security requirements.

TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

BOARD AND COMMITTEES

Board of Directors

Sri. T. Gopichand

Chairman & Managing Director
Since 26-09-1994
e-mail: gopichand@terasoftware.com

Padmashri Dr. T. Hanuman Chowdary

Independent Director
Since 17-12-2001
e-mail: tripuraneni1931@gmail.com

Dr. T.V. Lakshmi

Independent Director
Since 17-12-2001
e-mail: lakshmitv726@gmail.com

Sri. Divakar Atluri

Independent Director
Since 12-02-2021
e-mail: atluridivakar@gmail.com

Prof. Dr. Braja Bandhu Nayak

Independent Director
Since 24-09-2022
e-mail: brajabnayak@gmail.com

Sri. T. Bapaiah Chowdary

Non-Executive Director
Since 01-11-1999
e-mail: tbapaiahchowdary@gmail.com

Smt. T. Pavana Devi

Non-Executive Director
Since 06-06-1995
e-mail: pavanatummal@gmail.com

Executive Officers (KMP)

Sri. O. Babu Reddy

Chief Financial Officer
(Resigned w.e.f.30-06-2023)

Sri. Ch. Mallikarjuna

Company Secretary & Compliance Officer

Board Committees

Audit Committee

Sri. Divakar Atluri, Chairman
Dr. T. Hanuman Chowdary
Prof. Dr. Braja Bandhu Nayak
Sri. T. Bapaiah Chowdary

Nomination & Remuneration Committee

Dr. T. Hanuman Chowdary, Chairman
Dr. T.V. Lakshmi
Sri. T. Bapaiah Chowdary

Stakeholders Relationship Committee

Sri. T. Bapaiah Chowdary, Chairman
Dr. T.V. Lakshmi
Smt. T. Pavana Devi

Corporate Social Responsibility Committee

Dr. T. Hanuman Chowdary, Chairman
Sri. Divakar Atluri
Sri. T. Gopichand
Smt. T. Pavana Devi

Debtors Review Committee

(Sub-committee of Audit committee)

Sri. T. Gopichand, Chairman
(Managing Director)
Sri. Divakar Atluri (Independent Director)
Prof. Dr. Braja Bandhu Nayak
(Independent Director)
Sri. O. Babu Reddy
Chief Financial Officer
(Resigned w.e.f.30-06-2023)

Borrowing Committee

Sri. T. Gopichand, Chairman
Prof. Dr. Braja Bandhu Nayak
Smt. T. Pavana Devi

TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

CORPORATE INFORMATION

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

Narven Associates, Chartered Accountants
8-3-1047/1-B, Rama Apts., Sri Nagar Colony, Hyderabad –500073

Secretarial Auditors

C.V. Reddy K. & Associates, Company Secretaries
402, Kamala Towers, Street No.15, Himayat Nagar, Hyderabad-500029

Company Secretary & Compliance Officer

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

Bankers

Bank of Maharashtra

Sultan Bazaar, Hyderabad-500001

Canara Bank

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

Registrar & Transfer Agents

KFin Technologies Limited
Selenium Building, Tower-B, Plot No.31 & 32, Financial District
Nanakramguda, Serilingampally, Hyderabad – 500032,
Rangareddy, Telangana
Toll free Number: 1-800-309-4001
WhatsApp Number: (91) 910 009 4099
KPRISM (Mobile Application): <https://kprism.kfintech.com/>
Email: einward.ris@kfintech.com
Kfintech Corporate Website: <https://www.kfintech.com>
RTA website: <https://ris.kfintech.com>
Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

PAN CITY ICT PROJECT IN DAVANAGERE

Implemented by Tera Software Limited under Davanagere Smart City Limited.

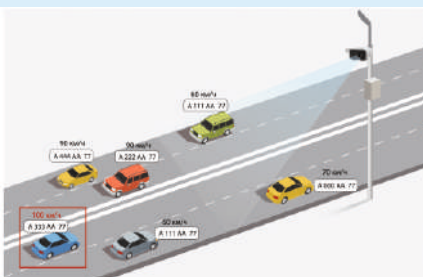


Award of Excellence to Davanagere Smart City Limited in the category of City with the Best safety and Security System & Record for their project implementation of ICT Project in Davangere City

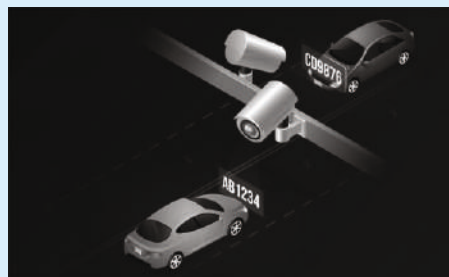


**City with Best Safety and Security System and Record
Award received from Hon'ble Governor of Kerala Sri Arif Mohammad Khan in Kochi**

Intelligent Traffic Management System



**Speed Violation
Detection**



**Automatic Number
Plate Recognition**



**Red Light
Violation Detection**

PAN CITY ICT PROJECT IN DAVANAGERE

Implemented by Tera Software Limited under Davanagere Smart City Limited.



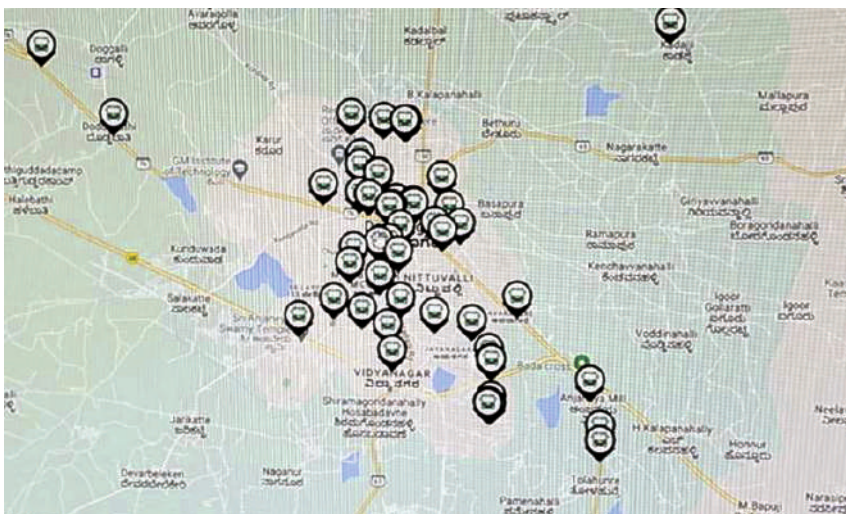
Public Address System



Mobile Surveillance Vehicle



Integrated Command and Control Centre



Intelligent Transport System



Variable Message Signboards

CSR Activity - Installation of Gas based “Incinerator System for Human Body Cremation”



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-ninth (29th) Annual General Meeting (AGM) of the members of Tera Software Limited (“the Company”) will be held on Thursday, the 17th August, 2023 at 11:00 AM at Jubilee Hills International Centre (Jubilee Hills Club), Near Post Office, Road No. 14, Jubilee Hills, Hyderabad-500033, Telangana, India to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, the report of the Auditors’ thereon and the report of the Board of Directors:

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

“RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, the report of the Auditors’ thereon and the report of the Board of Directors, as circulated to the Members, be and are hereby considered and adopted.”

02. To resolve not to fill the casual vacancy caused by retirement of Mrs. Tummala Pavana Devi (DIN: 00107698) who retires by rotation at the conclusion of this Annual General Meeting:

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

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time (“Act”), the casual vacancy caused by retirement of Mrs. Tummala Pavana Devi (DIN: 00107698), who retires by rotation at the conclusion of this Annual General Meeting and who does not offer herself for re-appointment, be not filled-up.”

SPECIAL BUSINESS:

03. To appoint Mr. Tummala Madhu Mitra (DIN: 07124242), as a Director (Marketing) of the Company and fix his remuneration:

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

“RESOLVED THAT in accordance with the provisions of Sections 160, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to appoint Mr. Tummala Madhu Mitra (DIN: 07124242) as a Whole Time Director designated as Director (Marketing) of the Company as recommended by the Nomination and Remuneration Committee and Board, for a period of 5 (five) years with effect from 17th August, 2023 to 16th August, 2028, the period of his office shall be liable to retire by rotation, on the terms and conditions including remuneration, notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.”

RESOLVED FURTHER THAT the remuneration payable to Mr. Tummala Madhu Mitra is as follows:

A) Salary and Perquisites:

Salary: Rs. 1,50,000/- (Rupees One Lakh Fifty thousand Only) per month with every year increment of 10%.

Perquisites:

B) The Director shall also be eligible to the following perquisites which are not included in the computation of ceiling remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

C) Other terms:

1. He shall be entitled to re-imbusement of actual out of pocket and/or entertainment expenses incurred in connection with the business of the Company.
2. As long as he functions as Whole-time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Tummala Madhu Mitra shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration upto 3 years.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary be and is hereby authorized severally to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

04. To increase the remuneration of Mr. Tummala Gopichand (DIN: 00107886), Chairman and Managing Director of the Company:

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

“**RESOLVED THAT** further to the resolutions passed at the 27th Annual General Meeting held on 30th July, 2021 for remuneration payable to Mr. Tummala Gopichand (DIN: 00107886), Chairman and Managing Director, pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other requisite approvals, as may be required in this regard, the consent of the members be and is hereby accorded to increase the remuneration of Mr. Tummala Gopichand, Chairman and Managing Director

of the Company w.e.f. 1st June, 2023, for the remaining period of his present tenure upto 31st August, 2026, on the terms and conditions including remuneration, not with standing that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and Schedule V of the Companies Act, 2013 in case of no profits/inadequate profits.

RESOLVED FURTHER THAT the remuneration payable to Mr. Tummala Gopichand, Chairman and Managing Director is as follows:

A) Salary and Perquisites:

Salary: Rs.9,00,000/- (Rupees Nine Lakhs Only) per month.

Perquisites:

B) The Chairman and Managing Director shall also be eligible to the following perquisites which are not included in the computation of ceiling remuneration specified in the said Part II Section IV of Schedule V of the Companies Act, 2013:

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

C) Other terms:

1. He shall be entitled to re-imburement of actual out of pocket and/or entertainment expenses incurred in connection with the business of the Company.
2. As long as he functions as Chairman and Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, Mr. Tummala Gopichand shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration upto 3 years.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company and Company Secretary be and is hereby authorized severally to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient and desirable to give effect to this resolution.”

By Order of the Board of Directors

Place : Hyderabad
Date : 27th May, 2023

Tummala Gopichand
Chairman & Managing Director
DIN: 00107886

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. In case a Proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member. The proxy holder shall prove his identity at the time of attending the meeting.

Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc., must be supported by appropriate resolution/authority, as applicable, issued by the appointing organization.

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.

For convenience of Members, route map of the venue of the AGM is enclosed in this Annual Report at back cover page.

2. Members/Proxies/Representatives are requested to bring the attendance slip, annexed with this Annual Report for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.
3. Please note that except Members / Proxies /Representatives / Invitees of the Company, no other person shall be allowed to attend the Meeting at the Venue. Relatives and acquaintances accompanying Members will not be permitted to attend the Meeting at the venue.
4. The Annual Report of the Company for the year ended 31st March, 2023 along with Notice, process and manner of remote e-voting, Attendance Slip and Proxy form are being sent by e-mail to those Members who have registered their e-mail address with the Company or with their respective DP or Registrar and Share Transfer Agents of the Company.
5. A Statement setting out material facts pursuant to the provisions of Section 102(1) of the Companies Act, 2013 (the "Act") in respect of special businesses set out at Item No. 03 & 04 of the Notice is annexed hereto. Further, additional information with respect to the above items is also annexed hereto.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 17th August, 2023. Members seeking to inspect such documents can send an e-mail to companysecretary@terasoftware.in.
7. The Share Transfer Books and Register of Members of the Company will remain closed from Friday, 11th August, 2023, to Thursday, 17th August, 2023 (both days inclusive).

8. In continuation with the MCA General Circulars No. 20/2020 dated May 5, 2020 & MCA General Circular No. 02/2022 dated May 5, 2022, SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and in accordance with the General Circular No. 10/2022 and General Circular No. 11/2022 dated December 28, 2022 & SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2023 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company / KFin or the Depository Participant(s). The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same.

Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail id viz., companysecretary@terasoftware.in clearly mentioning their Folio number / DP and Client ID.

Members are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company / KFin by following due procedure.

A copy of the Notice of this AGM along with Annual Report for the FY 2022-23 is available on the website of the Company at <https://www.terasoftware.com>, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at <https://evoting.kfintech.com>.

9. Shareholders who are attending the meeting in person and would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at companysecretary@terasoftware.in from the date of this notice up to 10th August, 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members are requested to share their questions if any in advance on companysecretary@terasoftware.in.

In case of any query and/or help, in respect of attending AGM contact at companysecretary@terasoftware.in, or Ms. Shobha Anand, Deputy Vice President, KFin at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 2222 or call KFin's toll free No.: 1800-3094-001 for any further clarifications.

10. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Act, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Act. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members / claimants whose shares, unclaimed dividend, have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 by following the refund procedure as detailed on the website of IEPF Authority <https://www.iepf.gov.in/IEPF/refund.html> along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrant(s) from the financial year ended 31st March, 2015 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on 31st March, 2014, have been transferred to IEPF.

The details of the unclaimed dividends are available on the Company's website at www.terasoftware.com and Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact KFin Technologies Limited (earlier known as KFin Technologies Private Limited) ("KFin" or "KFintech"), Unit: Tera Software Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed / unpaid dividends.

11. Members are requested to:
 - a. intimate to KFin/Company, changes, if any, pertaining to their postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI HO /MIRSD/MIRSD_RTAMB/ P/CIR/2021/655 dated November 3, 2021, in case of Shares held in physical form;
 - b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
 - c. quote their folio numbers/Client ID/DP ID in all correspondence;
 - d. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names; and
 - e. register their PAN with their Depository Participants, in case of Shares held in dematerialised form.
12. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc. As directed by SEBI, Members holding shares in physical form are requested to submit particulars of their bank account in Form ISR 1 along with the original cancelled cheque bearing the name of the Member to KFin / Company to update their bank account details. Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant ("DP"). The Company or KFin cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members.

Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts. In case, the Company is unable to pay dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/demand draft to such Member by post/courier.

13. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS/ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.
14. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' E-mail id: einward.ris@kfintech.com or to the Company's E-mail id: companysecretary@terasoftware.in.
15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFin at the above-mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
16. Members holding physical shares may kindly note that if they have any dispute against the Company or the registrar & share transfer agent (RTA) on delay or default in processing the request, they may file for arbitration with the stock exchanges in accordance with SEBI circular dated May 30, 2022.
17. As per Regulation 40 of the Listing Regulations as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. Further SEBI vide its Circular dated January 25, 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/renewal/exchange/ endorsement / sub-division / consolidation/ transmission / transposition service requests received from physical securities holders. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFin to seek guidance in the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited at <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited at <https://www.cdslindia.com/Investors/open-demat.html> for further understanding the demat procedure.

18. Effective April 1, 2020, dividend income is taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend paid to shareholders at the prescribed rates. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to einward.ris@kfintech.com. Further no tax shall be deducted on the dividend

payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year 2023-24 does not exceed ₹5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant/Registrar of the Company, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the member
- Copy of Tax Residency Certificate [TRC] for the FY 2023-24 obtained from the revenue authorities of country of tax residence duly attested by the member
- Self-Declaration in Form 10-F
- No-PE [permanent establishment] certificate
- Self-Declaration of beneficial ownership by the non-resident shareholder
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities

The members/shareholders are required to provide above documents/declarations by sending an E-mail to einward.ris@kfintech.com at the earliest. The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates to einward.ris@kfintech.com at the earliest. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961. In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @20% plus applicable Surcharge and Cess.

19. All documents referred in the accompanying Notice will be available electronically for inspection for Members on all working days up to 17th August, 2023 being the date of the Annual General Meeting. Members seeking to inspect such documents can send an E-mail to companysecretary@terasoftware.in.

20. **E-Voting:-**

- 1) Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin on all resolutions set forth in this Notice.
- 2) The remote e-voting period commences at 9.00 a.m. IST on Monday, 14th August, 2023 and ends at 5.00 p.m. IST on Wednesday, 16th August, 2023 (3 days). 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., Thursday, 10th August, 2023, may cast their vote electronically in the manner and process set out here in above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- 3) Any person holding shares in physical form and non- individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding

shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFin for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

4) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “other instructions”.

5) The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFin e-Voting system in case of shareholders holding shares in physical and non individual shareholders in demat mode.

Step 3: Voting during the AGM.

Details of Step 1 are mentioned below:

1) Login method for remote e-Voting for individual shareholders holding securities in demat mode:

| Type of shareholders | Login Method |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> a. Visit URL: https://eservices.nsdl.com b. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. c. A new page will open, enter User ID and Password. d. Post successful authentication, click on “Access to e-voting.” e. Click on company name or e-Voting service provider and you will be re-directed to e-voting page of KFin for casting the vote during the remote e-voting period. 2. User not registered for IDeAS e-Services: <ol style="list-style-type: none"> a. To register click on link: https://eservices.nsdl.com b. Select “Register Online for IDeAS” OR directly click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Proceed with completing the required fields. d. Follow steps given in point 1. 3. Alternatively - Procedure for login directly through NSDL website: <ol style="list-style-type: none"> a. Open URL: https://www.evoting.nsdl.com/ b. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section. c. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), type Password (if registered) or otherwise through OTP (in case your mobile/e-mail address is registered in your demat account) and a verification code as shown on the screen. d. On successful authentication, you will enter the e-voting module of NSDL. Click on “Active E-voting Cycles / VC or OAVMs” option under e-voting. You will see Company Name on the next screen. Click on the e-voting link available against Tera Software Limited and you will be re- directed to the e-voting page of KFin to cast your vote without any further authentication. |

| | |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Existing users already registered for Easi / Easiest facility of CDSL: <ol style="list-style-type: none"> a. Visit URL: https://web.cdslindia.com/myeasi/home/login OR b. Click on www.cdslindia.com and then click on New System Myeasi / to My Easi option under Quick Login. c. Enter your registered user id and password. d. The user will see the e-voting Menu. Click on e-voting link available against the name of the Company and you will be re-directed to e-voting page of KFin for casting the vote during the remote e-voting period. 2. Procedure for user NOT registered with Easi / Easiest facility of CDSL: <ol style="list-style-type: none"> a. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration b. Proceed to complete registration using your DP ID-Client ID (BO ID), etc. c. Follow the steps given in point 1. 3. Procedure for login directly through CDSL website: <ol style="list-style-type: none"> a. Open URL: https://evoting.cdslindia.com/Evoting/EvotingLogin b. Provide your demat Account Number and PAN No. c. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. d. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against the name of the company and you will be redirected to the e-voting page of KFin to cast your vote without any further authentication. |
| <p>Individual Shareholders login through their demat accounts / website of Depository Participant</p> | <ol style="list-style-type: none"> a. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. b. An option for “e-voting” will be available once you have successfully logged-in through your respective logins. Click on the option “e-voting” and you will be redirected to e-voting modules of NSDL/CDSL (as may be applicable). c. Click on options available against the name of the company or e-Voting Service Provider – KFin. You will be redirected to e-voting website of KFin for casting your vote during the remote e-voting period without any further authentication. |

Important Note:

1. Members who are unable to retrieve User ID/Password are advised to use “Forgot User ID”/ “Forgot Password” options available on the websites of Depositories / Depository Participants.
2. Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| b. Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

2) Information and Instructions for Remote e-Voting by Shareholders (Other than Individual Shareholders) holding securities in demat mode and Shareholders holding securities in physical mode:

(A) Procedure for Members whose e-mail IDs are registered with the Company / Depository Participant(s), and who receives email from KFin which will include details of E-Voting Event Number (EVEN), User ID and password:

- i. Launch internet browser by typing / clicking the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (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 ID 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.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E-voting Event Number (EVEN) for Tera Software Limited” and click on “Submit”.
- vii. 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 “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm or else “CANCEL” to modify. Once you have voted on the resolution(s), 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).
- xii. 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 / Authority

Letter etc., authorizing its representative to attend the AGM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id cvreddykassociates@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Tera Software Limited 29th Annual General Meeting”.

(B) Members whose e-mail IDs are not registered with the Company / Depository Participant(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their e-mail address and mobile number provided with KFinTech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, member may send an e-mail request at the e-mail id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

3) Voting during the AGM:

The Members who have not cast their vote(s) through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through Ballot shall be made available at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM.

21. Other Instructions:

- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> or call KFin Toll Free No. 1800 309 4001.
- ii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he / she may obtain the User ID and Password in the manner as mentioned below:
 - a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL: MYEPWD <SPACE> In12345612345678
 2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
 3. Example for Physical: MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com.
- iii. However, if you are already registered with Kfin for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on <https://evoting.kfintech.com> or call KFin Toll Free No. 1800 309 4001.
 - iv. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 10th August, 2023.
 - v. The Board of Directors has appointed Mr. C. V. Reddy K, Proprietor of M/s C.V.Reddy K & Associates, (Membership No. FCS 7976/ CP No. PCS 8998), Practicing Company Secretary, Hyderabad as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
 - vi. The scrutinizer shall immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding two working days from the conclusion of the meeting, submit a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.
 - vii. The Results shall be declared either by the Chairman or the person authorized by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.
 - viii. Promptly after declaration of results, the same shall be placed along with the Scrutinizer’s Report on the Company’s website at www.terasoftware.com and on the KFin’s website at <https://evoting.kfintech.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.
 - ix. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

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

Item 02. To resolve not to fill the casual vacancy caused by retirement of Mrs. Tummala Pavana Devi (DIN: 00107698) who retires by rotation at the conclusion of this Annual General Meeting:

Mrs. Tummala Pavana Devi, was appointed as a Director at the last Annual General Meeting held 30th July, 2021. Being the longest-serving Non-Executive Director on the Board, she is liable to retire by rotation at the conclusion of this 29th Annual General Meeting. She had expressed her desire not to offer herself for re-appointment.

Mrs. Pavana Devi is a Director in the Board since 1995 and a Promoter. At present she is a Non-Executive Director of the Company.

The Board of Directors had placed on record their appreciation for her valuable guidance and advice extended by her during her tenure as a Director of the Company.

The Board, based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the ordinary resolution to resolve not to fill casual vacancy as set out at item no. 2 of this notice.

Mrs. Tummala Pavana Devi, Mr. Tummala Gopichand, Mr. T. Bapaiah Chowdary and Mr. Tummala Madhu Mitra are related to each other and are concerned or interested in the resolution as set out at item no. 2 of this notice.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 2 of this notice.

Item 03. To appoint Mr. Tummala Madhu Mitra (DIN: 07124242), as a Director (Marketing) of the Company and fix his remuneration:

The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. Tummala Madhu Mitra, (who is working presently as a Vice president) as a Whole-time Director designated as Director (Marketing) with a remuneration of Rs. 1,50,000/- per month and perquisites as mentioned in the resolution, at their meetings held on 27th May, 2023 respectively for a period of five years from 17th August, 2023 to 16th August, 2028 and recommends the resolution at item 03 of the AGM Notice for approval of the shareholders by a Special Resolution.

In his capacity as a Director (Marketing), Mr. Madhu Mitra will be focusing on Marketing, planning, strategy apart from other key initiatives.

The members of the Company are requested to note that, as per Regulation 17 (6)(e) of Listing Regulations, approval of the members by way of special resolution is required in case of annual remuneration payable to the directors who are promoters or members of the promoter group exceeds INR 5 crore or 2.50% of the net profits of the listed entity, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

The particulars of Mr. Madhu Mitra viz., qualification and directorships and memberships of other Board Committees, shareholding and other details as required under secretarial standards and Listing Regulations are furnished hereunder.

Mr. Tummala Madhu Mitra, Mr. Tummala Gopichand, Mr. T. Bapaiah Chowdary and Mrs. Tummala Pavana Devi are related to each other and are concerned or interested in the resolution as set out at item no. 03 of this notice.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 03 of this notice.

Item 04. To increase the remuneration of Mr. Tummala Gopichand, Chairman and Managing Director of the Company:

The members at their 27th Annual General Meeting held on 30th July, 2021 approved the appointment and remuneration of Mr. Tummala Gopichand, Chairman & Managing Director for a period of five years with effect from 01st September, 2021 with the Remuneration of Rs.7 Lakhs per month.

The Board, based on the recommendation of Nomination and Remuneration Committee considered to increase the remuneration of Mr. Tummala Gopichand from Rs.7 Lakhs to Rs.9 Lakhs per month and perquisites as mentioned in the resolution, at their meetings held on 27th May, 2023 respectively and recommends the resolution at item 04 of the AGM Notice for approval of the shareholders by a Special Resolution.

The members of the Company are requested to note that, as per Regulation 17 (6)(e) of Listing Regulations, approval of the members by way of special resolution is required in case of annual remuneration payable to the directors who are promoters or members of the promoter group exceeds INR 5 crore or 2.50% of the net profits of the listed entity, whichever is higher or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company.

Mr. Tummala Gopichand, Mr. T. Bapaiah Chowdary, Mrs. Tummala Pavana Devi and Mr. Tummala Madhu Mitra are related to each other and are concerned or interested in the resolution as set out at item no. 04 of this notice.

None of the other directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 04 of this notice.

BRIEF PROFILE OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 (SS-2) ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI).

| Particulars | Item 03 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Mr. Tummala Madhu Mitra |
| Director Identification Number (DIN) | 07124242 |
| Date of Birth/Age | 14-10-1986/ 37 years |
| Nationality | Indian |
| Date of appointment on the Board | NA |
| Qualification | Bachelor of Science in Electrical Engineering from Purdue University, West Lafayette, IN (April 2010), USA |
| Nature of Expertise in specific Functional Areas | Having good work experience and knowledge in Software field. Working as Vice president, Planning & Strategy in Tera Software Limited from 2019 and associated with Tera Software Limited since 2009. |
| Terms and conditions of appointment/ re-appointment | Whole-time Director designated as Director (Marketing) and liable to retire by rotation |
| Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company | Son of Mr. T. Gopichand (CMD) and relative of Mr. T. Bapaiah Chowdary (NED) |
| Names of other Companies in which the person holds the Directorship [along with listed entities from which the person has resigned in the past three years] | Intiqual Technologies Limited (unlisted Public Limited Company) |
| Number of memberships/ chairmanships of Committee(s) of the Board of the Listed entities including this Listed entity | Nil |
| Details of Shares held in the Company | 8,41,308 (6.72%) |

For Item 03 & 04:

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. | As per Audited Financial Results F.Y.2022-23 | |
| | | Particulars | Rs.in lakhs |
| | | Revenue | 15,595.96 |
| | | Profit before Tax | 865.56 |
| | | Profit After Tax | 346.58 |
| 5 | Foreign investments or collaborators, if any. | The Company is a listed entity and around 1.27% of equity is held by NRIs. | |
| II | | INFORMATION ABOUT THE SALARY INCREASING PERSON AND APPOINTEE: | |
| 1 | Background details | Mr. Tummala Gopichand - M.Tech in Electronics & Communication with 34+ years of experience in the IT industry. Worked with Electronic Corporation of India Limited for a period of 13 years. In ECIL, he was involved in the technical support of Main Frame Computers and participated in various projects like Power Plants Simulators at Rourkela, Demand Drafts Conciliation at State Bank of India, Delhi Electric Supply Undertaking. | Mr. Tummala Madhu Mitra - Bachelor of Science in Electrical Engineering from Purdue University, West Lafayette, IN (April 2010) having good work experience and knowledge in Software field. At present he is working as Vice president, Planning & Strategy in Tera Software Limited from 2019 and associated with Tera Software Limited since 2009. Previously he worked in |

| | | | |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Background details | 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. | <p>a) Embedio Inc, Pune as Assistant Marketing Intern (Feb 2009 – May 2009)</p> <p>b) Scott A Jones (SAJE), Indiana (June 2008 – August 2008) Internship at SAJE</p> <p>c) Purdue University, West Lafayette, IN (Aug 2007 – Dec 2007) Undergraduate teaching assistant for MATLAB and Engineering problem solving</p> <p>D) Xilinx Ltd, India (May2007 – July2007) Internship at XILINX.</p> |
| 2 | Past remuneration | Salary Rs.7,00,000/- per month | Salary Rs.1,23,709/- per month (working as Vice President) |
| 3 | Recognition or awards | Nil | Nil |
| 4 | Job profile and his suitability | Chairman & Managing Director and varied experience in the IT industry & related areas. | Whole Time Director designated as Director (Marketing) and having experience in Software Technology field. |
| 5 | Remuneration proposed | Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate remuneration as specified in Schedule – V, Part-II, Section-II, Para-A of the Companies Act, 2013 or more with the approval of the Shareholders by passing a special resolution at the forthcoming general meeting. | |
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration proposed is similar to the remuneration being drawn by persons with similar background in the IT. industry & related areas. | |

| | | | |
|---|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Mr. Tummala Gopichand holds 11,96,554 equity shares directly in the Company and 47,50,773 shares through his family and others aggregating to 47.53 % and he is relative to Mr. T. Bapaiah Chowdary, Mrs. T. Pavana Devi, Promoters/Directors of the Company and Mr. T. Madhu Mitra, Proposed new Executive Director of the Company. | Mr. Tummala Madhu Mitra holds 8,41,308 equity shares directly in the Company and 51,06,019 shares through his family and others aggregating to 47.53% and he is relative to Mr. T. Gopichand (CMD), T. Bapaiah Chowdary, Mrs. T. Pavana Devi, Promoters/Directors of the Company. |
|---|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

III OTHER INFORMATION

| | | |
|---|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Reasons for loss or inadequate profits | Due to the huge capital employed in future business, there may be increase in financial costs, depreciation and coverage of GST slab variations to the projects may result in lesser net profits. On disposal of the present pending cases w.r.t. GST and other Taxes may affect the profitability. |
| 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. |

By Order of the Board of Directors

Tummala Gopichand
Chairman and Managing Director
DIN: 00107886

Place : Hyderabad
Date : 27th May, 2023

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-ninth (29th) Annual Report and Audited Accounts for the year ended 31st March, 2023.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

(Rs. in Lakhs)

| PARTICULARS | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|------------------------------------------------|--------------------------|--------------------------|
| Gross Income | 15595.96 | 13032.72 |
| Expenditure | 14070.71 | 11962.65 |
| Profit before Finance Cost, Depreciation & Tax | 1525.25 | 1070.07 |
| Less : Finance Cost | 636.20 | 1104.52 |
| Depreciation | 23.49 | 47.86 |
| Profit/Loss Before Tax (PBT) | 865.56 | (82.31) |
| Less : Provision for Current tax | 190.37 | 51.54 |
| Tax Expense relating to earlier years | 276.53 | - |
| Deferred tax | 52.08 | (3.70) |
| Profit/Loss After Tax (PAT) | 346.58 | (130.15) |

2. COMPANY'S PERFORMANCE

The Company has achieved a turnover of Rs.15595.96 lakhs for the year ended 31st March, 2023 as against Rs.13032.72 lakhs for the year ended 31st March, 2022. The Company has registered a profit of Rs. 346.58 lakhs as compares to previous year's net loss of Rs.130.15 lakhs.

3. BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the year under review Five meetings of the Board of Directors were held. Also, a separate meeting of Independent Directors as prescribed under Schedule IV of the Act, was held during the year under review. For details of the meetings of the Board and its Committees, please refer to the Corporate Governance Report forming part of this Report. The intervening gap between the Board meetings was within the period prescribed under Act.

One General Meeting i.e. 28th Annual General Meeting (AGM) of the Company was held on 24th September, 2022 during the year under review.

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

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

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

A) Conservation of energy

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

(B) Technology absorption

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

(C) Foreign exchange earnings and Outgo

Foreign Exchange Earnings during the year: NIL

Foreign Exchange outgo: NIL

5. CORPORATE GOVERNANCE

As required under Regulation 34 (3) read with Schedule V (C) of the Listing Regulations, a report on Corporate Governance is annexed as “**Annexure – A**” and forms part of the annual report.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR) Policy and CSR Committee formed pursuant to section 135 of Companies Act, 2013 and Rules made there under. The CSR Committee details are mentioned in the Corporate Governance Report. A budget of Rs. 7,12,376/- (Rupees Seven Lakhs Twelve thousand three hundred and Seventy-six only) approved for the Financial Year 2021-22.

The approved CSR activity for the budget of FY 2021-22 is installation of Gas based “Incinerator System for Human Body Cremation” under the project of Moderation/Renovation of Funeral Cremation Ground at Panduranga Pet, Tenali, Guntur District, Andhra Pradesh, India.

The total CSR Budget allocated is Rs.14,77,137/- (FY 2020-21 & 2021-22) for the above said project. The total Price of installation of the above said system is Rs.15,93,000/- including GST@18% and administrative expenses.

Tera Software Limited is mutually agreed to pay 90% of the total cost (i.e. Rs.14,33,700/-) of the Equipment against supply and remaining 10% shall be payable by the “Mahaprasthana Seva Samithi” on successful installation and commission, who are the maintainers of Funeral Ground at Tenali. The Mahaprasthana Seva Samithi will look after the maintenance of the equipment and overseas cremation ground after installation.

Advance was given to Supplier “Global Enviro Care” of Rs.6,75,000/- on 13-03-2023 and the project is under process as on 31-03-2023. The balance of Rs.37,376/- transferred to CSR unspent account on 21-04-2023.

Rs.7,58,700/- (Rupees Seven Lakhs Fifty-eight thousand Seven hundred Only) paid to the above said supplier on 25-04-2023 after installation of the above said system. Rs.43,437/- (Rupees Forty three thousand four hundred and thirty seven Only) spent towards administrative expenses (3% on the project cost of Rs.14,33,700/-) in accordance with applicable CSR Rules, 2014 and amendment(s) thereof, if any for the above said project which was approved by CSR Committee and Board.

Full details of the above CSR Activities/expenditure mentioned in the disclosure as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 which is enclosed as “**Annexure - B**” to this report.

7. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

8. COMPLIANCE CERTIFICATE SIGNED BY CEO & CFO

Compliance Certificate signed by CEO & CFO for the financial year ended 31st March, 2023 under Regulation 17(8) as specified in Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as "**Annexure - D**".

9. COMPLIANCE CERTIFICATE BY AUDITORS ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Compliance Certificate by Auditors on Compliance of conditions of Corporate Governance as per Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for the year ended 31st March, 2023, is annexed as "**Annexure - E**".

10. DEPOSITS

Your Company has not accepted any public deposits during the year under review.

11. DIVIDEND

Your Directors have not recommended the payment of dividend for the F.Y. 2022-23 to manage the cash flows of the Company Business operations.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

| Name of the Director/KMP | Director Identification Number (DIN)/Mem.No. | Category |
|----------------------------|----------------------------------------------|---------------------------------------------------------------|
| Mr. T. Gopichand (KMP) | 00107886 | Chairman & Managing Director (Promoter Executive Director) |
| Dr. T. Hanuman Chowdary | 00107006 | Non-Executive & Independent Director |
| Dr. T. V. Lakshmi | 00003020 | Non-Executive & Independent Director |
| Mr. A. Divakar | 00033386 | Non-Executive & Independent Director |
| *Mr. T. Sivarama Prasad | 06405913 | Non-Executive & Independent Director |
| **Dr. Braja Bandhu Nayak | 09702361 | Non-Executive & Independent Director |
| Mr. T. Bapaiah Chowdary | 00107795 | Promoter Non-Executive & Non-Independent Director |
| ***Mrs. T. Pavana Devi | 00107698 | Promoter Non-Executive & Non-Independent Director |
| #Mr. O. Babu Reddy (KMP) | (Resigned w.e.f. 30-06-2023) | Chief Financial Officer |
| Mr. Ch. Mallikarjuna (KMP) | Mem. No. A47545 | Company Secretary & Compliance Officer |

*Mr. T. Sivarama Prasad (DIN: 06405913) resigned from the Board w.e.f.11-11-2022.

**Dr. Braja Bandhu Nayak (DIN: 09702361) has been appointed by the members at their 28th AGM held on 24-09-2022 as an Independent Director for a term of five years, on the recommendation of Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company.

***Mrs. T. Pavana Devi (DIN: 00107698), retires in ensuing Annual General Meeting and she has expressed her desire not to offer her self for re-appointment and the Board as recommended by the Nomination and Remuneration Committee proposed to resolve not to fill the vacancy.

#Mr. O. Babu Reddy, Chief Financial Officer resigned w.e.f. 30-06-2023 due to his personal reasons.

The Board as recommended by the Nomination and Remuneration Committee Mr. Tummala Madhu Mitra, Vice President is proposed to appoint as a Whole time Director in the ensuing Annual General Meeting. Brief profile and details of Mr. Tummala Madhu Mitra, as required under the Listing Regulations are contained in the Notice convening the ensuing 29th Annual General Meeting of the Company.

Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Act, except the vacant position of CFO, who has resigned w.e.f.30-06-2023 and will be filled with in the stipulated time as per Companies Act, 2013 and applicable rules.

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

Declaration by the Chairman and Managing Director in accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirm that all the Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2023, is annexed herewith as "**Annexure - F.**"

14. 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) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made 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 that period;
- c) Proper and sufficient care has been taken 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;
- e) Appropriate internal financial controls have been laid down and that such internal financial controls are adequate and are operating effectively; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. EXTRACT OF ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Act, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return, in form MGT 9 for the financial year 2022-23 is enclosed with this Report as "**Annexure – G**".

16. INTERNAL FINANCIAL CONTROLS

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

17. INDEPENDENT DIRECTORS

The Company's Independent Directors have submitted requisite declarations under Section 149 (7) of the Companies Act, 2013, confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

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

Your Company always believes and endeavors to provide safe and healthy environment, which is free from discrimination and harassment including sexual harassment. The Company has an Internal Complaints Committee which operate under a defined redressal system. During the year, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

19. 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.

20. MATERIAL CHANGES & COMMITMENTS

There has been no material change and commitment, affecting the financial performance of the Company that occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

21. 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 – H" and forms part of Annual Report.

22. NOMINATION & REMUNERATION POLICY

The details of Nomination and Remuneration Policy of the Company for Directors, Key Managerial Personnel (KMP), Senior Management personnel (SMP) and other employees along with other related matters have been provided in the Corporate Governance Report. The Company has adopted a Nomination & Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management, pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

23. PERFORMANCE EVALUATION

Pursuant to applicable provisions of the Act, and the Listing Regulations, the Board has carried out annual evaluation of its own performance, performance of the Directors including Chairman assessment as well as the evaluation of the working of its committees.

The NRC has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors.

During the year, feedback was sought by way of structured questionnaires and evaluation was carried out based on various criteria and the responses received from the Directors.

The criteria for performance evaluation of the Board included aspects such as Board composition and quality, setting strategy, overall direction, effectiveness of Board processes, Board and management relations, contribution, board development, timeliness of information etc., The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effective participation of member of the Committees, deliberations and suggestions made by the Committee, effectiveness of the Committee's recommendation for the decisions of the Board, etc., A separate peer review exercise was carried out to evaluate the performance of Individual Directors. The performance evaluation of the Chairman of the Board was also carried out, considering the views of all the remaining Directors.

Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board, its Chairman and Non- executive Directors and other items as stipulated under the Listing Regulations.

24. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security if any are provided in notes to the Financial Statements.

25. 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 | Remuneration FY 2022-23 Amount in Rs. | Remuneration FY 2021-22 Amount in Rs. | % of Increase / Decrease in Remuneration | Ratio to Median Remuneration |
|----------------------|---------------------------------|---------------------------------------------|---------------------------------------------|------------------------------------------------|------------------------------------|
| Mr. T. Gopichand | Chairman & Managing Director | 84,00,000 | 84,00,000 | Nil | 70.37 |
| Mr. O. Babu Reddy | Chief Financial Officer | 18,30,000 | 15,23,000 | 10.00 % | 15.33 |
| Mr. Ch. Mallikarjuna | Company Secretary | 8,21,800 | 4,85,000 | 36.66% | 6.89 |

b. The percentage increase in remuneration in each Director, Chief Financial Officer (CFO), Company Secretary (CS) in the financial year:

- i) Increased in remuneration of CFO is 10% (from CTC of Rs.18,00,000/- p.a. to CTC of Rs.19,80,000/- p.a. w.e.f. 01-02-2023) and
- ii) Increased in remuneration of CS is 36.36% (from CTC of Rs.6,60,000/- to CTC of Rs.9,00,000/- p.a. w.e.f. 01-08-2022)

c. The Median Remuneration of the employees of the Company during the financial year was Rs.1,19,375/-.

d. The percentage increase in the median remuneration of employees in the financial year: **Nil**

e. The number of permanent employees on the rolls of the Company as on 31st March, 2023: **1004**

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

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2022-23 was 6.49%. 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.

g. 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.

26. 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 is appended as “**Annexure – I**” to the Board’s report.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions have been placed before the Audit Committee for their approval and to the Board, as and when required. In all cases prior omnibus approval of the Audit Committee is obtained on a yearly basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the audit committee on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

27. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

28. REPORTING OF FRAUD

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report and rules made thereof. Therefore, no details are required to be disclosed under Section 134 (3) (ca) of the Act.

29. 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. The Audit Committee oversight the framework to identify, evaluate, mitigate and monitor the risk management, financial risk and controls in the Company.

30. SHARE CAPITAL

The Company's paid-up equity share capital is Rs.1251.19 lakhs as on 31st March, 2023. During the year under review, there was no change in share capital of the Company.

31. STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 M/s. Narven Associates, Chartered Accountants (Firm Registration No. 005905S), Hyderabad has been appointed as the Statutory Auditors, for a term of five years i.e. to hold office from the conclusion of 28th AGM held on 24-09-2022 till the conclusion of 33rd AGM of the Company to be held in the year 2027.

The Auditors have issued an unmodified opinion on the Financial Statements, for the financial year ended 31st March, 2023. The said Auditors' Report(s) for the financial year ended 31st March, 2023 on the financial statements of the Company forms part of this Annual Report.

32. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. C.V.Reddy K & Associates, Practising Company Secretaries as Secretarial Auditor. The Secretarial Audit report for the financial year 2022-23 in Form No.MR-3 and Annual Secretarial Compliance Report is annexed herewith as “Annexure - J” to this Report and the Secretarial Audit Report does not contain any reservation, qualification or adverse remarks.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the Financial year under review, no regulator or court has passed any significant and/ or material orders impacting the going concern status of the Company and its future operations.

34. TRANSFER TO RESERVES

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

35. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards to employees and business associates reporting unethical practices and encourages employees to report genuine concerns or grievances such as unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The whistle Blower Policy is available on the Company's website at the link: <http://terasoftware.com/investors/> There were no complaints received during the year 2022-23.

36. OTHER DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act).
4. There has been no change in the nature of business of your Company.
5. The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions.
6. There was no revision of financial statements and Board's Report.

37. ACKNOWLEDGMENTS

Your Directors appreciate and value the co-operation and support of the Company's customers, members, suppliers, bankers, associates, Central and State Governments and employees at all levels and look forward to continuance of the supportive relations and assistance in the future.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 27th May, 2023

T. Pavana Devi
Director
DIN: 00107698

T. Gopichand
Chairman & Managing Director
DIN: 00107886

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and your Company's actions are governed by its Values and Code of Conduct. The Company considers itself a trustee of its shareholders and fully realises the rights of its shareholders to information on the performance of the Company. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

2. BOARD OF DIRECTORS

The Board composition is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Sections 149 and 152 of the Companies Act, 2013 ('the Act').

The Board comprises of Seven (7) Directors which includes Executive Chairman & Managing Director, Non-Executive & Non-Independent Directors & Non-Executive & Independent Directors (including two Woman Directors) as under:

| Name of the Director | Director Identification Number (DIN) | Category |
|-------------------------------|--------------------------------------|---------------------------------------------------------------|
| Mr. T. Gopichand | 00107886 | Chairman & Managing Director (Promoter Executive Director) |
| Dr. T. Hanuman Chowdary | 00107006 | Non-Executive & Independent Director |
| Dr. T. V. Lakshmi | 00003020 | Non-Executive & Independent Director |
| Mr. A. Divakar | 00033386 | Non-Executive & Independent Director |
| *Prof. Dr. Braja Bandhu Nayak | 09702361 | Non-Executive & Independent Director |
| Mr. T. Bapaiah Chowdary | 00107795 | Promoter Non-Executive & Non-Independent Director |
| **Mrs. T. Pavana Devi | 00107698 | Promoter Non-Executive & Non-Independent Director |

*Prof. Dr. Braja Bandhu Nayak (DIN: 09702361) has been appointed by the members at their 28th AGM held on 24-09-2022 as an Independent Director for a term of five years, on the recommendation of Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company.

During the F.Y. 2022-23, Mr. T. Sivarama Prasad (DIN: 06405913) resigned from the Board w.e.f. 11-11-2022.

**Mrs. T. Pavana Devi (DIN: 00107698) retires by rotation at the ensuing Annual General Meeting (AGM) and she had expressed her desire not to offer herself for re-appointment. Nomination and Remuneration Committee recommended that Mr. T. Madhu Mitra, Vice President is proposed to be appointed as a Director at the ensuing AGM. Brief profile and details of Mr. T. Madhu Mitra proposed to be appointed as required under the Listing Regulations are contained in the Notice convening the ensuing 29th Annual General Meeting of the Company.

None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the Listing Regulations) across all public companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors hold office in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under Regulation 17A of the Listing Regulations. The Managing Director does not serve as an Independent Director in any listed company.

3. MEETINGS OF BOARD

During the financial year 2022-23 Five (5) Board meetings were held on the following dates: 30-05-2022, 12-08-2022, 24-09-2022, 12-11-2022 and 14-02-2023.

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all applicable laws. The necessary quorum was present for all the Board Meetings.

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 public companies as on 31st March, 2023 are given herein below:

| Name of the Director | Category | Number of board meetings attended during the year 2022-23 | Whether attended last AGM held on 24-09-2022 | **No. of Directorships in public companies | ***No. of Committee positions held in public companies | | No. of shares held | %To the paid-up share capital |
|------------------------------|------------------------------------|-----------------------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------------------|--------|--------------------|-------------------------------|
| | | | | | Chairman | Member | | |
| Mr. T. Gopichand | Chairman & Managing Director | 5 | Yes | 1 | 0 | 0 | 1196554 | 9.56 |
| Dr. T. Hanuman Chowdary | Independent Non-Executive Director | 5 | Yes | 4 | 5 | 1 | 0 | NA |
| Dr. T.V. Lakshmi | Independent Non-Executive Director | 4 | Yes | 1 | 0 | 2 | 0 | NA |
| Mr. A. Divakar | Independent Non-Executive Director | 5 | Yes | 3 | 1 | 1 | 0 | NA |
| Prof. Dr. Braja Bandhu Nayak | Independent Non-Executive Director | 3 | Yes | 1 | 0 | 1 | 0 | NA |
| Mr. T. Bapaiah Chowdary | Non-Executive Director | 4 | Yes | 1 | 1 | 2 | 92,676 | 0.74 |
| Mrs. T. Pavana Devi | Non-Executive Director | 5 | Yes | 1 | 0 | 2 | 574760 | 4.59 |

** In the above table the number of directorships does not include directorships of Private Limited Companies, Companies registered under Section 8 of Companies Act, 2013/Section 25 of Companies Act, 1956.

*** Chairmanship/Membership of Committees includes Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Audit Committee and Stakeholders Relationship Committees of Public Limited Companies.

4. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

5. INDEPENDENT DIRECTORS

The Independent Directors, who are from diverse fields of expertise, have long standing experience and expert knowledge in their respective fields of professions, which are very relevant as well as of considerable value for the Company's business. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the Management. The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at www.terasoftware.com.

(i) INDEPENDENT DIRECTORS MEETING:

Separate meeting of Independent Directors in compliance with Schedule IV of the Companies Act, 2013 was held on 14-02-2023 without the attendance of non – Independent Directors. At such meeting, 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.

6. DETAILS OF SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS

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

| S.No. | Name of the Directors | Existing Skills / Expertise / Competence |
|-------|------------------------------|------------------------------------------------------------------------------------------------------|
| 1 | Mr. T. Gopichand | Technology Innovation, Strategic Development & Leadership |
| 2 | Dr. T. Hanuman Chowdary | IT and Management Advisory |
| 3 | Dr. T.V. Lakshmi | Research & Innovations |
| 4 | Mr. A. Divakar | Accounts, Audit and Governance |
| 5 | Prof. Dr. Braja Bandhu Nayak | Rich experience in the field of electronics and telecommunication engineering in the corporate world |
| 6 | Mr. T. Bapaiah Chowdary | Management |
| 7 | Mrs. T. Pavana Devi | Strategy & Leadership |

7. CODE OF CONDUCT

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2023.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company.

As per the above Code, Mr. Ch. Mallikarjuna, Company Secretary is the Compliance Officer.

8. BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION

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

The Board has adopted a formal performance evaluation policy for evaluating the performance of the Independent Directors. The exercise was carried out through a structured evaluation process covering various aspects such as understands the critical issues affecting the company, prompts board discussion on strategic issues, attendance for the meetings. The evaluation of the Independent Directors was carried out by the entire board excluding the director being evaluated.

9. REMUNERATION OF DIRECTORS

(a) All pecuniary relationship or transactions of the non-executive directors vis- à-vis the listed entity: Except Mr. T. Gopichand (Chairman & Managing Director), Mrs. T. Pavana Devi and Mr. T. Bapaiah Chowdary (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. 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, 2023

(Rs. in lakhs)

| Sl. No. | Name of the Director | Salary | Sitting Fees | Total |
|---------|------------------------------|--------|--------------|-------|
| 1 | Mr. T. Gopichand | 84.00 | - | 84.00 |
| 2 | Dr. T. Hanuman Chowdary | - | 1.11 | 1.11 |
| 3 | Dr. T.V. Lakshmi | - | 0.52 | 0.52 |
| 4 | Mr. A. Divakar | - | 1.04 | 1.04 |
| 5 | Prof. Dr. Braja Bandhu Nayak | - | 0.30 | 0.30 |
| 6 | Mr. T. Bapaiah Chowdary | - | 0.82 | 0.82 |
| 7 | Mrs. T. Pavana Devi | - | 0.69 | 0.69 |

(ii) Details of fixed component and performance linked incentives, along with the performance criteria: The Company does not have any performance linked incentives for the Executive Directors. The appointments are made for a fixed period of time on the terms and conditions in the respective resolution passed by the Members in the General Meeting.

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

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

10. 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) Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Borrowing Committee and One (1) Sub-committee of Audit Committee namely Debtors Review Committee.

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

(i) AUDIT COMMITTEE

a) Terms of Reference:

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations.

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors and / or any other auditors including fixation of remuneration;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Act;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions; and
 - g) qualifications in the draft audit report.
 - Reviewing, with the management:
 - the quarterly financial statements before submission to the Board for approval;
 - performance of Auditors, Internal Auditors, adequacy of the internal control systems;
 - Review and monitor the auditor's independence and performance and effectiveness of audit process;

- Review the adequacy of Internal Audit function including the structure of the internal audit department staffing and seniority of the head of the department, reporting structure coverage and frequency of internal audit;
- Approval or any subsequent modification of transactions of the Company with the related parties;
- Approval on appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualification, experience and background etc., of such incumbent;
- Evaluation of internal financial controls and risk management systems;
- Discussing with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review the functioning of the Whistle Blower mechanism.
- Carry out such other functions as may be delegated by the Board from time to time.

The Committee has discharged such other role / function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

The Chairman of the Audit Committee was present at the last AGM (28th Annual General Meeting held on 24th September, 2022).

(b) Composition, names of members & Chairperson, meetings held during the year and attendance at meetings:

The Audit Committee presently consists of four Non-executive Directors, out of which three are Independent Directors.

The Committee has held four meetings during the Financial Year 2022-23 i.e., 30-05-2022, 12-08-2022, 12-11-2022 and 14-02-2023.

The composition of the Audit Committee as on 31st March, 2023 and the attendance of members at the meetings held during the Financial Year 2022-23 were as follows:

| Name of the Audit Committee Member | Category | Position | No of Meetings held | No of Meetings attended |
|-------------------------------------------|------------------------------------------|-----------------|----------------------------|--------------------------------|
| Mr. A. Divakar | Non Executive & Independent Director | Chairman | 4 | 4 |
| Dr. T. Hanuman Chowdary | Non Executive & Independent Director | Member | 4 | 4 |
| **Prof. Dr. Braja Bandhu Nayak | Non Executive & Independent Director | Member | 4 | NA |
| Mr. T. Bapaiah Chowdary | Non Executive & Non-Independent Director | Member | 4 | 3 |

Mr. Ch. Mallikarjuna, Company Secretary is the Secretary to the Audit Committee.

The gap between two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present at the above Meetings.

*Mr. T. Sivarama Prasad (Non-Executive and Independent), Member of Audit Committee resigned as a Director w.e.f.11-11-2022.

**Prof. Dr. Braja Bandhu Nayak (Non-Executive and Independent), appointed as a member of Audit Committee in the Board Meeting held on 14-02-2023.

(ii) DEBTORS REVIEW COMMITTEE (a sub-committee of Audit Committee)

Debtors Review Committee constituted to evaluate, review and report to the Audit Committee periodically, the Credit Loss Allowance Reserve provided on such long pending, overdue, outstanding amounts from the Debtors of the Company and to take such action may deem fit to collect the outstanding amounts at the earliest.

During the year, No Debtors Review Committee meeting was held. The composition of the Debtors Review Committee along with the details of the meetings held and attendance during the Financial Year 2022-23 are detailed below:

| Name | Category | Position | No of Meetings held | No of Meetings attended |
|------------------------------|--------------------------------------|----------|---------------------|-------------------------|
| Mr. A. Divakar | Non-Executive & Independent Director | Chairman | 0 | NA |
| Prof. Dr. Braja Bandhu Nayak | Non-Executive & Independent Director | Member | 0 | NA |
| Mr. T. Gopichand | Chairman & Managing Director | Member | 0 | NA |
| *Mr. O. Babu Reddy | Chief Financial Officer | Member | 0 | NA |

Mr. T. Sivarama Prasad resigned as above Committee Member on 11-11-2022 and Prof. Dr. Braja Bandhu Nayak appointed as a Member on 12-11-2022.

*Mr. O. Babu Reddy, Chief Financial Officer resigned w.e.f.30-06-2023.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The said Committee has been authorized to approve the transfer / transmission / transposition of shares and issue of duplicate share certificates and to consider all other matters of shareholder interest.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Managing Director and the Company Secretary to approve the share transfers / transmissions and accordingly, the Managing Director or the Company Secretary approves the transfer / transmission of shares as and when required from time to time.

During the year, One SRC Committee meeting was held on 14th February, 2023. The composition of the SRC Committee along with the details of the meetings held and attendance during the financial year 2022-23 are detailed below:

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

During the year 4 Complaints/Queries of general nature (non-receipt of Annual Reports, Service/delivery of Annual Report) received from the shareholders and 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/ companysecretary@terasoftware.in

Compliance Officer Name and Address:

Mr. Ch. Mallikarjuna, Company Secretary & Compliance Officer, Tera Software Limited,
8-2-293/82/A/1107, Plot No. 1107, Road No. 55, Jubilee Hills, Hyderabad – 500033.

E-mail: companysecretary@terasoftware.in

(iv) NOMINATION AND REMUNERATION COMMITTEE (NRC)

The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.

The Nomination and Remuneration Committee consists of three Non-executive Directors, two being Independent Directors. The Chairman is a Non-executive and Independent Director.

During the Financial Year 2022-23 One Nomination and Remuneration Committee meeting was held on 12th August, 2022. The composition of the NRC Committee and the attendance of members at the meeting held during the year under review were as follows:

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

(v) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

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

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be incurred on the CSR activities.
- Monitor implementation and adherence to the CSR Policy of the company periodically.
- Such other matters and functions as may be determined from time to time.

The CSR policy of the Company is available on website, www.terasoftware.com under investors section. The composition of the CSR Committee along with the details of the meetings held and attended during the financial year 2022-23 were detailed below. During the financial year 2022-23 Two (2) CSR Committee meetings were held on 30th May, 2022 and 14th February, 2023:

| Name | Category | Position | No of Meetings held | No of Meetings attended |
|-------------------------|--------------------------------------|----------|---------------------|-------------------------|
| Dr. T. Hanuman Chowdary | Non-Executive & Independent Director | Chairman | 2 | 2 |
| Mr. A. Divakar | Non-Executive & Independent Director | Member | 2 | 2 |
| Mr. T. Gopichand | Executive Director | Member | 2 | 2 |
| Mrs. T. Pavana Devi | Non-Executive Director | Member | 2 | 2 |

(vi) BORROWING COMMITTEE

A Borrowing Committee has been constituted to delegate borrowing powers up to a maximum amount of Rs.25 Crores from the lenders at any time in a single tranche not exceeding of Rs.5 Crores and to enter into various agreements with the various Bodies Corporates, Companies whether under same management or not, Banks, Financial Institutions, Firms and Individuals, on behalf of the Company and to authorise any other person(s) to do all such acts as may be required for the said purpose.

During the year under review, No Borrowing Committee meetings were held. The composition of the Borrowing Committee along with the details of the meetings held and attendance during the Financial Year 2022-23 were as follows:

| Name | Category | Position | No of Meetings held | No of Meetings attended |
|------------------------------|--------------------------------------|----------|---------------------|-------------------------|
| Mr. T. Gopichand | Chairman & Managing Director | Chairman | 0 | NA |
| Mr. A. Divakar | Non-Executive & Independent Director | Member | 0 | NA |
| Prof. Dr. Braja Bandhu Nayak | Non-Executive & Independent Director | Member | 0 | NA |

Mr. T. Sivarama Prasad resigned as above Committee Member on 11-11-2022 and Prof. Dr. Braja Bandhu Nayak appointed as a Member on 12-11-2022.

GENERAL BODY MEETINGS

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

| Annual General Meeting (AGM) | Venue | Date, Day & Time | Special Resolution passed |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 28th AGM | Hotel Jubilee Ridge, Plot No.38 & 39, Kavuri Hills, 100ft Road, Madhapur, Jubilee Hills, Hyderabad-50033, Telangana, India | 24th September, 2022, Saturday, 12:30 PM | 1. To appoint Dr. Braja Bandhu Nayak (DIN: 09702361) as an Independent Director. |
| 27th AGM | Through Video Conference | 30th July, 2021, Friday, 11:00 AM | 1. To re-appoint Mr. Tummala Gopichand as a Vice Chairman and Director (KMP); 2. To Sell Company's Land situated at Annaram/ Gaghillapur Village. |
| 26th AGM | Through Video Conference | 31st October, 2020, Saturday 11:00 AM | Nil |

Means of Communication

The quarterly/half-yearly/annual financial results are published in Financial Express (English daily) and Nava Telangana (Telugu daily). The aforesaid financial results also placed on the Company's website "www.terasoftware.com".

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.

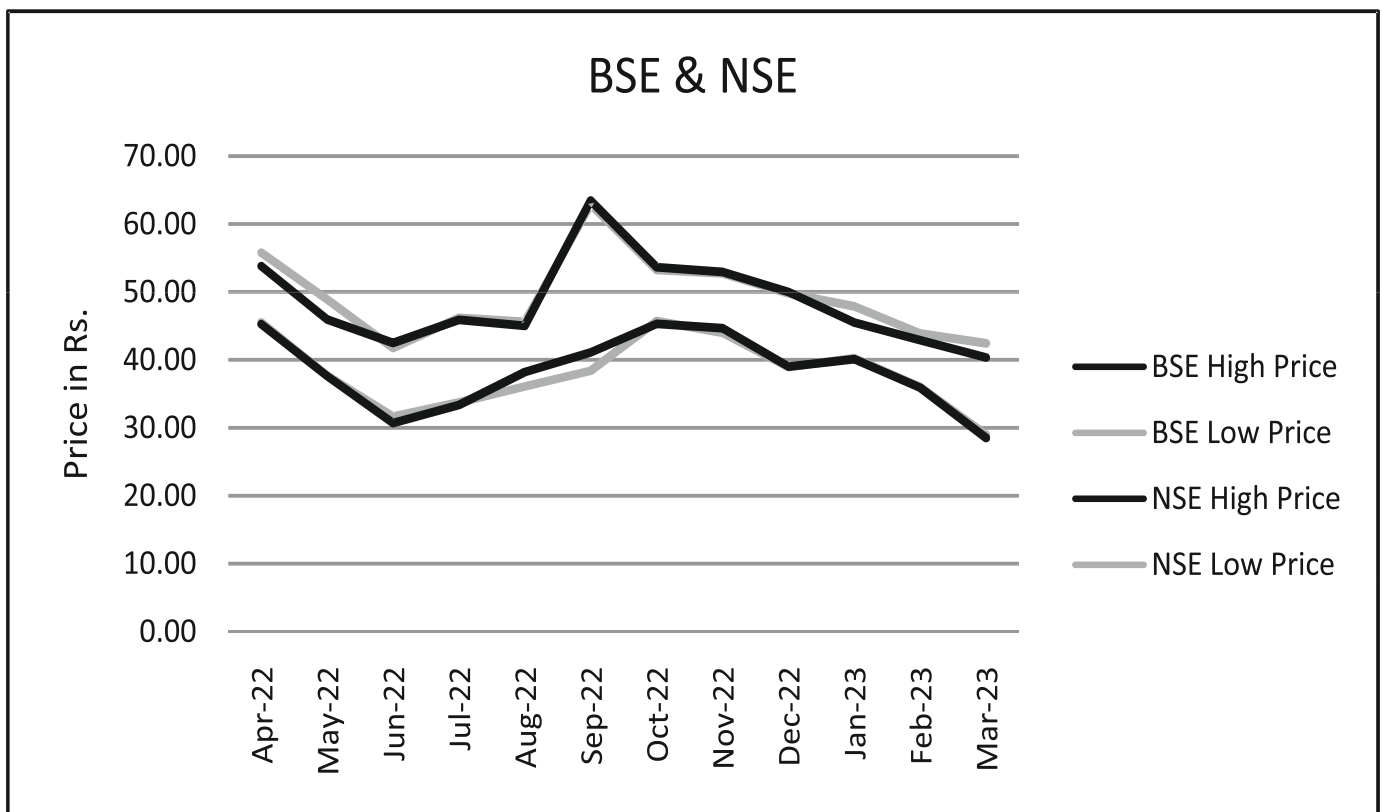
General Shareholder Information

| | | |
|----|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) | AGM – Day, Date, Time and Venue | Thursday, the 17th day of August, 2023 at 11:00 AM at Jubilee Hills International Centre, (Jubilee Hills Club), Near Post Office, Road No.14, Jubilee Hills, Hyderabad-500033, Telangana, India. |
| B) | Financial Year | 1st April, 2022 to 31st March, 2023. |
| c) | Date of Book Closure | Friday, 11th August, 2023 to Thursday, 17th August, 2023 (both days inclusive) |
| d) | Listing on stock exchanges | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra-kurla Complex, Bandra (East), Mumbai-400051. |
| e) | Scrip Code/Symbol | BSE: 533982 NSE: TERASOFT |
| f) | Company's ISIN | INE482B01010 |

g) Market Price Data

The monthly high and low stock quotations during the Financial Year 2022-23 in BSE & NSE are given below

| Month | BSE | | BSE-SENSEX | | NSE | | NIFTY-50 | |
|--------|------------|-----------|------------|----------|------------|-----------|----------|----------|
| | High Price | Low Price | High | Low | High Price | Low Price | High | Low |
| Apr-22 | 55.80 | 45.50 | 60845.10 | 56009.07 | 53.80 | 45.25 | 18114.65 | 16824.70 |
| May-22 | 48.90 | 37.70 | 57184.21 | 52632.48 | 45.95 | 37.60 | 17132.85 | 15735.75 |
| Jun-22 | 41.75 | 31.65 | 56432.65 | 50921.22 | 42.50 | 30.70 | 16793.85 | 15183.40 |
| Jul-22 | 46.20 | 33.75 | 57619.27 | 52094.25 | 45.90 | 33.35 | 17172.80 | 15511.05 |
| Aug-22 | 45.60 | 36.10 | 60411.20 | 57367.47 | 45.00 | 38.20 | 17992.20 | 17154.80 |
| Sep-22 | 62.90 | 38.40 | 60676.12 | 56147.23 | 63.45 | 41.10 | 18096.15 | 16747.70 |
| Oct-22 | 53.25 | 45.70 | 60786.70 | 56683.40 | 53.65 | 45.30 | 18022.80 | 16855.55 |
| Nov-22 | 52.75 | 44.00 | 63303.01 | 60425.47 | 52.95 | 44.65 | 18816.05 | 17959.20 |
| Dec-22 | 49.80 | 38.95 | 63583.07 | 59754.10 | 50.00 | 39.00 | 18887.60 | 17774.25 |
| Jan-23 | 47.90 | 40.25 | 61343.96 | 58699.20 | 45.50 | 40.10 | 18251.95 | 17405.55 |
| Feb-23 | 43.90 | 36.00 | 61682.25 | 58795.97 | 42.90 | 35.90 | 18134.75 | 17255.20 |
| Mar-23 | 42.44 | 29.00 | 60498.48 | 57084.91 | 40.35 | 28.50 | 17799.95 | 16828.35 |



- h) Share Price Performance in comparison to Broad Based Indices BSE Sensex and NSE Nifty as on 31st March, 2023

| Particulars | Share Price v/s NSE | | Share Price v/s BSE | |
|------------------------|---------------------|----------|---------------------|------------|
| | Share Price in Rs. | Nifty50 | Share Price in Rs. | BSE Sensex |
| As on 1st April, 2022 | 48.05 | 17670.45 | 46.25 | 59,276.69 |
| As on 31st March, 2023 | 29.50 | 17359.75 | 29.87 | 58,991.52 |
| Changes (%) | -38.60 | -1.75 | -35.39 | -0.48 |

h) Registrars and Transfer Agents (RTA)

Kfin Technologies Limited

Selenium Building, Tower-B, Plot No.31 & 32, Financial District

Nanakramguda, Serilingampally, Hyderabad – 500032, Rangareddy, Telangana

Toll free Number: 1-800-309-4001

WhatsApp Number: (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

Email: einward.ris@kfintech.com

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

RTA website: <https://ris.kfintech.com>

Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

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. KFin Technologies 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, 2023

| Category (Shares) | No. of Cases | % of Cases | Amount | % to equity |
|-------------------|--------------|---------------|---------------------|---------------|
| 1-5000 | 14511 | 86.98 | 16526330.00 | 13.21 |
| 5001 - 10000 | 1162 | 6.96 | 9392220.00 | 7.51 |
| 10001 - 20000 | 549 | 3.29 | 8259190.00 | 6.60 |
| 20001 - 30000 | 165 | 0.99 | 4296100.00 | 3.43 |
| 30001 - 40000 | 93 | 0.56 | 3299210.00 | 2.64 |
| 40001 - 50000 | 46 | 0.28 | 2156280.00 | 1.72 |
| 50001 - 100000 | 95 | 0.57 | 6714920.00 | 5.37 |
| 100001 & Above | 63 | 0.38 | 74474500.00 | 59.52 |
| Total: | 16684 | 100.00 | 125118750.00 | 100.00 |

k) Shareholding Pattern as on 31st March, 2023

| Sl. No | Category of Shareholder | No. Shareholders | Total Shares | % of Total Shares |
|--------|---------------------------------------------------------------------------------|------------------|-----------------|-------------------|
| A | Shareholding of Promoter & Promoter Group | | | |
| | Indian | | | |
| | Individuals/Hindu Undivided Family | 8 | 5947327 | 47.53 |
| | Foreign | Nil | Nil | Nil |
| B. | Public Shareholding: | | | |
| | Institutions: | | | |
| | Financial Institutions/Banks | 1 | 100 | 0.00 |
| | Non-Institutions: | | | |
| | Bodies Corporate | 59 | 288389 | 2.30 |
| | Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | 16167 | 5111613 | 40.85 |
| | Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 9 | 415326 | 3.32 |
| | NBFCs Registered with RBI | 0 | 0 | 0.00 |
| | Clearing Members | 14 | 7494 | 0.06 |
| | Non Resident Indians | 153 | 159356 | 1.27 |
| | HUF | 269 | 495352 | 3.96 |
| | Investor Education & Protection Fund (IEPF) | 1 | 85418 | 0.68 |
| | Trust | 1 | 1450 | 0.01 |
| | KMP | 1 | 50 | 0.00 |
| | Total | 16683 | 12511875 | 100.00 |

i) Shareholders holding more than 1% of shares as on 31st March, 2023

| Sl. No. | Name of the Shareholder | No. of Equity Shares | % of Shareholding |
|---------|-------------------------|----------------------|-------------------|
| 1 | Raja Sekhar Tummala | 2824617 | 22.58 |
| 2 | Tummala Gopichand | 1196554 | 9.56 |
| 3 | Madhu Mitra Tummala | 841308 | 6.72 |
| 4 | Tummala Pavana Devi | 574760 | 4.59 |
| 5 | N Sri Durga | 226537 | 1.81 |
| 6 | Pravin N Gala HUF | 180000 | 1.44 |
| 7 | Mahendra Giridharilal | 156209 | 1.25 |
| 8 | T. Seetharamamma | 136875 | 1.09 |
| | Total | 6136860 | 49.04 |

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, 2023:

| Mode of Holding | Cases | No. of Shares | % of Total Shares |
|-----------------|--------------|-----------------|-------------------|
| NSDL | 6272 | 9100300 | 72.73 |
| CDSL | 10803 | 3363227 | 26.88 |
| Physical | 97 | 48348 | 0.39 |
| Total | 17172 | 12511875 | 100.00 |

As at the end of 31st March, 2023 total 99.61% 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 2022-23 and there are no outstanding convertible instruments which will impact the equity.

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

Investors' correspondence address: Mr. Ch. Mallikarjuna, Company Secretary & Compliance Officer, 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>.**q) Outstanding of unclaimed dividend amounts:**

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

Further, pursuant to Section 124(6) of the Act read with relevant rule of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company had transferred unclaimed dividend for the F.Y. 2014-15 of Rs. 1,40,320/- and 7,504 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, 2023.

| Financial year | Date of declaration of Dividend | Amount remaining Unclaimed as on 31.03.2023 (in Rs.) | Last date for claiming unpaid dividend amount (on or before) | Last date for transfer to IEPF |
|----------------|---------------------------------|------------------------------------------------------|--------------------------------------------------------------|--------------------------------|
| 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 2022-23 that has potential conflict of interest with the interest of Company at large.
- ii. There was no non-compliance by the Company for which penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital Markets, during the last three years.
- iii. The 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, 2023.
- 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>.
- 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 an Executive Director.
 - During the year under review, there is no audit qualification in the company's financial statements.
 - The Internal Auditor directly reports to the Audit Committee.
- vii. SEBI Complaints Redressal System (SCORES): SEBI has initiated SCORES for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.
- viii. NSE Electronic Application Processing System (NEAPS), & BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): The NEAPS, digital exchange website & BSE's Listing Centre are web-based application designed by BSE & NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, investor's complaints, media releases, among others are filed electronically on NEAPS & Listing.bseindia.com.

- ix. As on 31st March, 2023, the Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

| Regulation | Particulars of Regulation | Compliance Status (Yes/No) |
|-------------------|------------------------------------------------------------------------------|-----------------------------------|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stake Holders Relationship Committee | Yes |
| 21 | Risk Management Committee | NA |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirement with respect of Subsidiary of Listed entity | NA |
| 25 | Obligation with respect to Independent Director | Yes |
| 26 | Obligation with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance Requirement | Yes |
| 46(2)(b)to(I) | Website | Yes |

By Order of the Board of Directors

Place : Hyderabad
Date : 27th May, 2023

Tummala Gopichand
Chairman and Managing Director
DIN: 00107886

Annexure - B

**Report on Corporate Social Responsibility as per Rule 8 of Companies
(Corporate Social Responsibility Policy) Rules, 2014
For the Financial Year 2022-23
(Annexure - II)**

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------|-------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1 | Dr. T. Hanuman Chowdary | Chairman (Non-Executive & Independent Director) | 2 | 2 |
| 2 | Mr. A. Divakar | Member (Non-Executive & Independent Director) | 2 | 2 |
| 3 | Mr. T. Gopichand | Member (Chairman & Managing Director) | 2 | 2 |
| 4 | Mrs. T. Pavana Devi | Member (Non-Executive Director) | 2 | 2 |

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

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

6. Average net profit of the company as per section 135(5): Rs.3,56,18,790

| Particulars | For the Financial year ended 31st March | | |
|-------------------------------------------------------------------|-----------------------------------------|-------------|-------------|
| | 2022 | 2021 | 2020 |
| Net Profit in Rs. | -82,30,756 | 1,64,37,077 | 9,86,50,050 |
| Average Net profit for the preceding three financial years in Rs. | 3,56,18,790 | | |

7. (a) Two percent of average net profit of the company as per section 135(5) – Rs.7,12,376/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL
 (c) Amount required to be set off for the financial year, if any - NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c) - Rs.7,12,376/-
8. (a) CSR amount spent or unspent for the financial year 2022-23:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|----------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount in Rs. | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 6,75,000/- | 37,376/- | 21-04-2023 | NA | Nil | NA |

(b) Details of CSR amount spent in the FY 2022-23 against ongoing projects for the financial year 2021-22:

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act | (4) Local area (Yes/ No) | (5) Location of the project | (6) Project duration | (7) Amount allocated for the project (in ₹) | (8) Amount spent in the current financial Year (in Rs.) | (9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | (10) Mode of Implementation - Direct (Yes/No) | (11) Mode of Implementation - Through Implementing Agency |
|----------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|-------------------------|------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------|
| 1 | Modernization/ renovation of Funeral Cremation ground, Tenali | Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water | Yes | Tenali, Andhra Pradesh | Guntur | 7,64,761/- | 10,000 | 7,54,761/- transferred on 30-04-2022 | Yes | NA |
| | | | | State | District | | | | Name | CSR Registration number |
| | | | | | | | | | NA | NA |

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2022-23:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------|--------------------------|--------|----------|---------------------------------------|-----------------------------------------|------------------------------------------------------|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project. | | District | Amount spent for the project (in Rs.) | Mode of implementation- Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | | | | | Name | CSR registration number |
| 1 | Installation of Gas based "Incinerator System for Human Body Cremation" under the project of Moderation/Renovation of Funeral Cremation | Ensuring environmental sustainability, ecological balance. | Yes | Tenali, Andhra Pradesh | Guntur | | 6,75,000/- | Yes | NA | NA |

- (d) Amount spent in Administrative Overheads: 37,376/- (spent after 31-03-2023)
(e) Amount spent on Impact Assessment, if applicable: Nil
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.7,12,376/-
(g) Excess amount for set off, if any: Nil

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6)(in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in Rs.) |
|---------|--------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------|------------------|---------------------------------------------------------------------|
| | | | | Name of the Fund | Amount (in Rs.) | Date of transfer | |
| 1. | 2020-21 | 7,54,761/- | a) Rs. 4,00,000/- spent in the FY 2021-22 b) Rs.10,000/- spent in the FY 2022-23 | NA | Nil | NA | 7,54,761/- (spent in the month of April 2023) |
| 2. | 2019-20 | 12,08,715/- | 12,08,715/- spent in the FY 2021-22 | NA | Nil | NA | Nil |
| 3. | 2018-19 | 7,71,587/- | 7,71,587/- spent in the FY 2021-22 | NA | Nil | NA | Nil |

(b) Details of CSR amount spent in the FY 2022-23 for ongoing projects of the preceding financial year(s)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|-------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year (Rs.) | Status of the project - Completed /Ongoing |
| 1. | Promotion of Education Development Project | Installation of Gas based "Incinerator System for Human Body Cremation" under the project of Moderation/ Renovation of Funeral Cremation Ground at Panduranga Pet, Tenali, Guntur District, Andhra Pradesh. | 2021-22 | Depended on works progress | 14,77,137/- | 6,85,000/- | 6,85,000/- | Completed in the month April, 2023. |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
 - (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 - (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Due to Projects are ongoing projects and the requirement of funds to spend on the Projects identified are slow down due to post Pandemic circumstances. Hence, the implementation of the project activities was in slow move.

By Order of the Board of Directors

Place : Hyderabad
Date : 27th May, 2023

Tummala Gopichand
Chairman and Managing Director
DIN: 00107886

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UDIN: F007976E000348954
Annexure - C

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

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

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

We have examined the Company and Registrar of Companies records, books and papers of TERA SOFTWARE LIMITED (CIN: L72200TG1994PLC018391) having its Registered Office at “8-2-293/82/A/1107, Road No-55, Jubilee Hills, Hyderabad-500033, Telangana (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on 31st March, 2023.

In our opinion and to the best of my information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2023:

| S.No. | DIN | Name of the Director | Designation |
|-------|----------|----------------------------------|------------------------------|
| 1 | 00107886 | Sri. Tummala Gopichand | Chairman & Managing Director |
| 2 | 00107006 | Dr. Hanuman Chowdary Tripuraneni | Independent Director |
| 3 | 00003020 | Dr. Thozuvanoor Vellat Lakshmi | Independent Director |
| 4 | 00033386 | Sri. Divakar Atluri | Independent Director |
| 5 | 09702361 | Prof. Dr. Braja Bandhu Nayak | Independent Director |
| 6 | 00107795 | Sri. Tummala Bapaiah Chowdary | Non-Executive Director |
| 7 | 00107698 | Smt. Tummala Pavana Devi | Non-Executive Director |

For C. V. REDDY K & ASSOCIATES
COMPANY SECRETARIES

C V REDDY K
COMPANY SECRETARY IN PRACTICE
M No: 7976
CP No: 8998

Place : Hyderabad
Date : 22nd May, 2023

Annexure - D

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

We, Tummala Gopichand, Chairman & Managing Director and Oduru Babu Reddy, Chief Financial Officer of the Company Certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 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.

**Place: Hyderabad
Date: 27th May, 2023**

**Tummala Gopichand
Chairman & Managing Director
DIN: 00107886**

**Oduru Babu Reddy
Chief Financial Officer**

Annexure - E

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Tera Software Limited

1. Based on our physical examination of records of the company and shared to us via Email pertaining to the compliance of conditions of Corporate Governance by Tera Software Limited ("the Company") for the year ended 31st March, 2023, as stipulated in Regulation 15(2), 17-27 and applicable clauses, schedules to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2022 to 31st March, 2023.

Managements' Responsibility

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

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

4. In our opinion and to the best of our information and according to the explanation given to us by the directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing regulations during the year ended 31st March, 2023.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Narven Associates
Chartered Accountants
Firm Reg. No: 005905S**

**Place: Hyderabad
Date: 25th May, 2023**

**CA G.V. Ramana
Partner
Membership No: 025995
UDIN: 23025995BGSKZW6739**

Annexure - F

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

In accordance with Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2023.

For Tera Software Limited

**Tummala Gopichand
Chairman & Managing Director
DIN: 00107886**

**Place: Hyderabad
Date: 27th May, 2023**

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Annexure-G
Form No. MGT-9
EXTRACT OF ANNUAL AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

i. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I. | CIN | L72200TG1994PLC018391 |
| ii. | Registration Date | 26/09/1994 |
| iii. | Name of the Company | Tera Software Limited |
| iv. | Category / Sub-Category of the Company | Company limited by Shares/ Indian Non-Government Company |
| v. | Address of the Registered office and contact details | #8-2-293/82/A/1107, Road No: 55, Plot No: 1107, Jubilee Hills, Hyderabad-500033, Telangana. Tel: 040-23547447, 040 - 23547448 Fax : 040 - 23547449 Email: info@terasoftware.in; Website: www.terasoftware.com |
| vi. | Whether listed company (Yes / No) | Yes (BSE & NSE) |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Kfin Technologies Limited Selenium Building, Tower-B Plot No.31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad – 500032, Rangareddy, Telangana Toll free Number: 1-800-309-4001 WhatsApp Number: (91) 910 009 4099 KPRISM (Mobile Application): https://kprism.kfintech.com/ Email: einward.ris@kfintech.com Kfintech Corporate Website: https://www.kfintech.com RTA website: https://ris.kfintech.com Investor Support Centre (DIY Link): https://ris.kfintech.com/clientservices/isc |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year (1st April, 2022) | | | | No. of Shares held at the end of the year (31st March, 2023) | | | | % Change during the year |
|---------------------------------------------------------------|-------------------------------------------------------------------|-----------|----------------|-------------------|--------------------------------------------------------------|-----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | 5947327 | -- | 5947327 | 47.53 | 5947327 | -- | 5947327 | 47.53 | -- |
| b) Central Govt. | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| c) State Govt.(s) | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| d) Bodies Corp | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| e) Banks / FI | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| f) Any Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-total(A)(1): | 5947327 | -- | 5947327 | 47.53 | 5947327 | -- | 5947327 | 47.53 | -- |
| 2) Foreign | | | | | | | | | |
| a) Individuals (Non-Residents Individuals/Foreign Individuals | | | | | | | | | |
| b) Government | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| c) Institutions | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| d) Foreign Portfolio Investor | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| e) Any Other.... | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-total(A)(2): - | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 5947327 | -- | 5947327 | 47.53 | 5947327 | -- | 5947327 | 47.53 | -- |
| B. Public Shareholding | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| c) Alternate Investment Funds | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| d) Foreign Venture Capital Investors | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| e) Foreign Portfolio Investors | -- | -- | -- | -- | -- | -- | -- | -- | -- |

| | | | | | | | | | |
|-------------------------------------------------------------------------|-----------------|--------------|-----------------|---------------|-----------------|--------------|-----------------|---------------|-------------|
| f) Financial Institutions / Banks | 100 | -- | 100 | 0 | 100 | -- | 100 | 0 | 0.00 |
| g) Insurance Companies | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| h) Provident Funds/ Pension Funds | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| i) Any other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-total(B)(1) | 100 | -- | 100 | 0 | 100 | -- | 100 | 0 | 0.00 |
| 2. Central Government/State Government(s)/ President of India | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-total(B)(2) | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 3. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | 269540 | -- | 269540 | 2.15 | 288389 | -- | 288389 | 2.30 | 0.15 |
| b) Individuals | | | | | | | | | |
| (i) Individuals holding nominal share capital upto Rs. 2 lakhs | 5124251 | 55098 | 5179349 | 41.40 | 5063315 | 48348 | 5111663 | 40.85 | (0.55) |
| (ii) Individuals holding nominal share capital in excess of Rs. 2 lakhs | 796113 | -- | 796113 | 6.36 | 415326 | -- | 415326 | 3.32 | (3.04) |
| c) Others | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| NBFC's registered with RBI | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Employee Trusts | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Overseas Depositories | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Trusts | -- | -- | -- | -- | 1450 | -- | 1450 | 0.01 | 0.01 |
| Non-Resident Indians | 195617 | -- | 195617 | 1.57 | 159356 | -- | 159356 | 1.27 | (0.30) |
| Clearing Members | 45914 | -- | 45914 | 0.37 | 7494 | -- | 7494 | 0.06 | (0.31) |
| HUF | -- | -- | -- | -- | 495352 | -- | 495352 | 3.96 | 0.05 |
| IEPF | 77915 | -- | 77915 | 0.62 | 85418 | -- | 85418 | 0.68 | 0.06 |
| a) Qualified Foreign Investor | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total B(3): | 6509350 | 55098 | 6564448 | 52.47 | 6516100 | 48348 | 6564448 | 52.47 | 0.01 |
| Total B=B(1)+B(2)+B(3): | 6509450 | 55098 | 6564548 | 52.47 | 6516200 | 48348 | 6564548 | 52.47 | 0.01 |
| Total (A+B): | 12456777 | 55098 | 12511875 | 100.00 | 12463527 | 48348 | 12511875 | 100.00 | 0.00 |
| C. Shares held by custodians for GDRs & ADRs | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Grand Total (A+B+C): | 12456777 | 55098 | 12511875 | 100.00 | 12463527 | 48348 | 12511875 | 100.00 | 0.00 |
| | | | | | | | | | |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (1st April, 2022) | | | Shareholding at the end of the year (31st March, 2023) | | | |
|---------|------------------------------|-------------------------------------------------------------|----------------------------------|--------------------------------------------------|--------------------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1. | Mr. Tummala Gopichand | 1196554 | 9.56 | 74.44 | 1196554 | 9.56 | 74.44 | -- |
| 2. | Mrs. Tummala Pavana Devi | 574760 | 4.59 | 29.14 | 574760 | 4.59 | 29.14 | -- |
| 3. | Mrs. Tummala Tulasi Rani | 54000 | 0.43 | -- | 54000 | 0.43 | -- | -- |
| 4. | Mr. Tummala Bapaiah Chowdary | 92676 | 0.74 | 16.19 | 92676 | 0.74 | 16.19 | -- |
| 5. | Ms. N Sri Durga | 226537 | 1.81 | -- | 226537 | 1.81 | -- | -- |
| 6. | Mr. Madhu Mitra Tummala | 841308 | 6.72 | 96.18 | 841308 | 6.72 | 1.09 | -- |
| 7. | Mrs.T. Seetharamamma | 136875 | 1.09 | -- | 136875 | 1.09 | -- | -- |
| 8. | Mr. Raja Sekhar Tummala | 2824617 | 22.58 | -- | 2824617 | 22.58 | -- | -- |
| | Total | 5947327 | 47.53 | | 5947327 | 47.53 | | |

iii) Change in Promoters' Shareholding: Nil

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 1st April, 2022 | | Cumulative Shareholding during the year | |
|---------|--------------------|-----------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | | | | | |

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

| SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2022 AND 31/03/2023 | | | | | | | | | | | |
|-------------------------------------------------------------------------------|----------------------|----------|-----------------|----------------------------------------------------|-------------------------------------------|----------------------------------|------------|------------------------------------|----------|-----------------------------------------|----------------------------------|
| S. No | Folio/Dp/Clientid | Category | Type | Name of the Share Holder | Shareholding at the beginning of the Year | | Date | Increase/Decrease in share holding | Reason | Cumulative Shareholding during the Year | |
| | | | | | No of Shares | % of total shares of the company | | | | No of Shares | % of total shares of the company |
| 1 | AAGHP5338C | HUF | Opening Balance | PRAVIN N GALA HUF | 179713 | 1.44 | 31/03/2022 | | | 179713 | 1.44 |
| | | | Purchase | | | | 30/09/2022 | 287 | Transfer | 180000 | 1.44 |
| | | | Closing Balance | | | | 31/03/2023 | | | 180000 | 1.44 |
| 2 | AAAPW1327L | PUB | Opening Balance | MAHENDRA GIRDHARILAL | 156209 | 1.25 | 31/03/2022 | | | 156209 | 1.25 |
| | | | Closing Balance | | | | 31/03/2023 | | | 156209 | 1.25 |
| 3 | AACCP6862E | LTD | Opening Balance | PROTECHSOFT SYSTEMS P LTD | 102507 | 0.82 | 31/03/2022 | | | 102507 | 0.82 |
| | | | Closing Balance | | | | 31/03/2023 | | | 102507 | 0.82 |
| 4 | AAPCS2058G | LTD | Opening Balance | SOLTY DEALTRADE PVT LTD | 84638 | 0.68 | 31/03/2022 | | | 84638 | 0.68 |
| | | | Closing Balance | | | | 31/03/2023 | | | 84638 | 0.68 |
| 5 | IN3007081 0656671 | IEP | Opening Balance | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M | 77915 | 0.62 | 31/03/2022 | | | 77915 | 0.62 |
| | | | Purchase | | | | 02/12/2022 | 6159 | Transfer | 84074 | 0.67 |
| | | | Purchase | | | | 09/12/2022 | 1344 | Transfer | 85418 | 0.68 |
| | | | Closing Balance | | | | 31/03/2023 | | | 85418 | 0.68 |
| 6 | AIRPB9282E | NRI | Opening Balance | ANIL GURMUKH BHAGWANI . | 53552 | 0.43 | 31/03/2022 | | | 53552 | 0.43 |
| | | | Sale | | | | 16/09/2022 | -30000 | Transfer | 23552 | 0.19 |
| | | | Closing Balance | | | | 31/03/2023 | | | 23552 | 0.19 |
| 7 | AIPB6380L | PUB | Opening Balance | RAHUL RAVINDRA BHAT | 50000 | 0.40 | 31/03/2022 | | | 50000 | 0.40 |
| | | | Closing Balance | | | | 31/03/2023 | | | 50000 | 0.40 |

| | | | | | | | | | | | | |
|----|------------|-----|-----------------|------------------------|-------|------|------------|--------|----------|--|-------|------|
| 8 | AAIPF6534A | PUB | Opening Balance | ANURADHA RAJESH FOWKAR | 49000 | 0.39 | 31/03/2022 | | | | 49000 | 0.39 |
| | | | Sale | | | | 08/04/2022 | -9000 | Transfer | | 40000 | 0.32 |
| | | | Sale | | | | 15/04/2022 | -11500 | Transfer | | 28500 | 0.23 |
| | | | Sale | | | | 20/05/2022 | -23500 | Transfer | | 5000 | 0.04 |
| | | | Sale | | | | 27/05/2022 | -1000 | Transfer | | 4000 | 0.03 |
| | | | Sale | | | | 03/06/2022 | -2500 | Transfer | | 1500 | 0.01 |
| | | | Sale | | | | 17/06/2022 | -651 | Transfer | | 849 | 0.01 |
| | | | Sale | | | | 15/07/2022 | -849 | Transfer | | 0 | 0.00 |
| | | | Closing Balance | | | | 31/03/2023 | | | | 0 | 0.00 |
| 9 | AAHPA3151F | PUB | Opening Balance | DINESH LALCHAND AHUJA | 45329 | 0.36 | 31/03/2022 | | | | 45329 | 0.36 |
| | | | Closing Balance | | | | 31/03/2023 | | | | 45329 | 0.36 |
| 10 | AAFT8232N | PUB | Opening Balance | ANIL MOHANLAL THAKKER | 45000 | 0.36 | 31/03/2022 | | | | 45000 | 0.36 |
| | | | Sale | | | | 08/04/2022 | -1750 | Transfer | | 43250 | 0.35 |
| | | | Purchase | | | | 15/04/2022 | 250 | Transfer | | 43500 | 0.35 |
| | | | Purchase | | | | 06/05/2022 | 250 | Transfer | | 43750 | 0.35 |
| | | | Purchase | | | | 13/05/2022 | 1250 | Transfer | | 45000 | 0.36 |
| | | | Closing Balance | | | | 31/03/2023 | | | | 45000 | 0.36 |
| 11 | AAHHA5690M | HUF | Opening Balance | ANIL MOHANLAL THAKKER | | | | | | | | |
| | | | | (HUF) | 40000 | 0.32 | 31/03/2022 | | | | 40000 | 0.32 |
| | | | Purchase | | | | 10/02/2023 | 5000 | Transfer | | 45000 | 0.36 |
| | | | Closing Balance | | | | 31/03/2023 | | | | 45000 | 0.36 |
| 12 | AAFHR5468C | HUF | Opening Balance | RAKESH S GUPTA HUF . | 40256 | 0.32 | 31/03/2022 | | | | 40256 | 0.32 |
| | | | Closing Balance | | | | 31/03/2023 | | | | 40256 | 0.32 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name | Shareholding at the beginning of the year 01-04-2022 | | Cumulative Shareholding during the year 31-03-2023 | |
|----------------------------------------|--------------------------------------------------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the company |
| Share Holding of KMP | | | | | |
| 1. | Mr. T. Gopichand Chairman & Managing Director | 11,96,554 | 9.56 | 11,96,554 | 9.56 |
| 2. | Mr. O. Babu Reddy, CFO | 50 | 0.00 | 50 | 0.00 |
| 3. | Mr. Ch. Mallikarjuna, CS | - | - | - | - |
| Shareholding of Other Directors | | | | | |
| 1. | Mrs. T. Pavana Devi | 5,74,760 | 4.59 | 5,74,760 | 4.59 |
| 2. | Mr. T. Bapaiah Chowdary | 92,676 | 0.74 | 92,676 | 0.74 |
| 3. | Dr. T.V. Lakshmi | - | - | - | - |
| 4. | Dr. T. Hanuman Chowdary | - | - | - | - |
| 5. | Mr. Divakar Atluri | - | - | - | - |
| 6. | Mr. Dr. Braja Bandhu Nayak | - | - | - | - |

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment
(Amount in Rs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-----------------------------------------------------|----------------------------------|----------------------|----------|----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 43,12,63,060 | 16,40,06,429 | - | 59,52,69,489 |
| ii) Interest due but not paid | - | 1,01,47,316 | - | 1,01,47,316 |
| iii) Interest accrued but not due | - | - | - | - |
| Total(i+ii+iii) | 43,12,63,060 | 17,41,53,745 | | 60,54,16,805 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | - | 5,98,95,483 | - | 5,98,95,483 |
| - Reduction | 23,81,12,080 | 18,93,91,912 | - | 42,75,03,992 |
| Net Change | -23,81,12,080 | -12,94,96,429 | | -36,76,08,509 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 19,31,50,980 | 3,45,10,000 | | 22,76,60,980 |
| ii) Interest due but not paid | - | 1,38,63,589 | | 1,38,63,589 |
| iii) Interest accrued but not due | - | - | | - |
| Total(i+ii+iii) | 19,31,50,980 | 4,83,73,589 | | 24,15,24,569 |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in Rs)

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

B. Remuneration to other directors:

(Amount in Rs)

| Sl. No. | Particulars of Remuneration | Sitting Fee for attending the Board/Committee Meeting |
|---------|--------------------------------------|-------------------------------------------------------|
| 1. | Independent Directors | |
| (i) | Dr. T. Hanuman Chowdary | 1,11,000 |
| (ii) | Dr. T.V. Lakshmi | 52,000 |
| (iii) | Mr. Divakar Atluri | 1,04,000 |
| (iv) | Prof. Dr. Braja Bandhu Nayak | 30,000 |
| | Total (1) | 2,97,000 |
| 2. | Other Non-Executive Directors | |
| (i) | Mr. T. Bapaiah Chowdary | 82,000 |
| (ii) | Mrs. T. Pavana Devi | 69,000 |
| | Total (2) | 1,51,000 |
| | Total B=(1+2) | 4,48,000 |

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

(Amount in Rs)

| Sl. No. | Particulars of Remuneration | Name of the KMP other than MD/WTD/Manager | | Total |
|---------|-------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|-----------|
| | | O. Babu Reddy Chief Financial Officer | Ch. Mallikarjuna Company Secretary | |
| 1. | Gross salary | 18,30,000 | 8,21,800 | 26,51,800 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -- | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | -- | | |
| 2 | Stock Option | -- | | |
| 3 | Sweat Equity | -- | | |
| 4 | Commission | | | |
| | - as % of profit | | | |
| | - others, specify... | -- | | |
| 5 | Others, please specify | 18,30,000 | 8,21,800 | 26,51,800 |

VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

(Amount in Rs)

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT GLOBAL ECONOMIC OVERVIEW

The Global Economy recovered strongly from the COVID-19 pandemic, supported by the release of pent-up demand as movement restrictions were scaled back, as well as huge amounts of fiscal and monetary support. China's recent reopening has paved the way for a faster than expected recovery. But it is now being buffeted by two major shocks: high inflation and rising interest rates.

The IMF has projected that global growth will fall to 2.9 percent in 2023 but rise in 2024. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above the pre-pandemic levels.

Labor markets are tight, household spending and business investment remain strong, and European economies proved quite resilient against the energy crisis. Global growth is expected to slow from 3.4% in 2022 to 2.9% in 2023. The slowdown will be more pronounced for advanced economies. China and India will account for 50% of global growth. (Source: IMF Global Economic Outlook)

INDIAN ECONOMIC OVERVIEW

The IMF has forecast India's growth at 6.1% in 2023 as compare to 6.8% in 2022, terming the country a bright spot and major engine of growth amid an expected fall in global growth. India is shifting toward greater renewable energy generation while striving to improve energy access, affordability, and security. It's also poised to be one of the fastest growing economies in coming years, which will in turn sharply boost energy demand.

As per survey by Ministry of Finance, the economy is expected to grow at 7% for the year ending March, 2023. Despite the three shocks of COVID-19, Russian-Ukraine conflict and the Central Banks across economies led by Federal Reserve responding with synchronized policy rate hikes to curb inflation, leading to appreciation of US Dollar and the widening of the Current Account Deficits (CAD) in net importing economies, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 percent in FY 23.

INDUSTRY STRUCTURE AND DEVELOPMENTS

While FY2022 was a year of milestones and resurgence-an outlier for the Indian technology industry, FY2023 has been the year of continued revenue growth with a focus on strengthening industry fundamentals and building on trust and competencies. The volatile global economic scenario and impending recession continues to support the demand for technology adoption and digital acceleration. Consequently, technology continues to be a strategic imperative that is a critical component of business innovation and transformation, as well as a source of improving operational and cost efficiencies.

OPPORTUNITIES

India, currently holding the prestigious Presidency of G20 nations, has grown from being the tenth largest economy ten years ago to the fifth largest today. India has been the fastest growing major economy for the third year in a row—poised for further growth, driven strongly by, among other factors, a robust and diverse technology ecosystem. Diverse and inclusive new-age skilled talent pool with strong entrepreneurial mindset people first innovation, responsible & ethical tech & governance built on trust, commitment to Environmental, Social & Governance (ESG) goals, & Corporate Social Responsibility (CSR), form the cornerstones of this vibrant ecosystem.

Cost competitiveness and efficiencies, stable and trusted Government consistently building a conducive business environment and infrastructure through reforms and policies, along with the largest and youngest working population and consumer market, makes the industry's foundation even stronger.

India's inherent leadership skills have ensured Indian origin leaders occupy a seat at the table in global organizations, fronting global charters across various verticals.

THREATS

Cybersecurity, IT governance, and data security will be the number one risk in 2023. Ransomware has been a significant threat in 2022, but the nature of cyberattacks is changing. Relatively new hackers now take advantage of sophisticated ransomware as an opportunity.

ESG (Environmental, Social, and Governance) reporting is in its infancy, but the requirements will be broader and all-encompassing. Therefore, a lack of preparedness could be a threat. Organizations should ensure governance structures to provide reliable information on ESG risks and opportunities. Define ESG disclosures and metrics and identify the data to be captured and curated to comply with local ESG regulations on time.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

- (i) The Technical Division revenue increased (94.29%) to Rs.5,809.57 Lakhs in FY 2022-23 as against Rs.2,990.21 Lakhs in FY 2021-22.
- (ii) The Projects Division revenue decreased (25.23%) to Rs.7,270.45 Lakhs in FY 2022-23 as against Rs.9,724.04 Lakhs in FY 2021-22.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's total revenue increased (19.66%) to Rs.15,595.96 Lakhs in FY 2022-23 as against Rs.13032.72 Lakhs in FY 2021-22 and Net Profit is Rs.236.94 Lakhs for FY 2022-23 as against Net Loss of Rs.130.15 Lakhs for FY 2021-22. Your Company has achieved this by reduction of Financial Costs. Post Covid period your company could recover the billed amounts and utilised in reduction of financial costs.

OUTLOOK

E-governance in India is progressively evolving from basic digitization of government data and processes to actually facilitating delivery of various citizen services online. A common vision and strategy are being deliberated and firmed up across all levels of government Central, State and local bodies. This approach has huge potential in garnering cost savings, increasing transparency, and presenting a seamless view of government to citizens.

ACCOMPLISHMENTS OF TERASOFTWARE

- Tera Software has successfully completed the (SMART CITY) 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.

- This Davanagere project has been awarded as “City with the Best Safety and Security System & Record” by Government of India during the financial year. We currently providing maintenance & support services extended up to 5 years i.e. till FY 2027-28.
- The successful completion adds a feather on Tera Software Cap and brings pre qualifications for your company to participate in the prospective bid opportunities in the Surveillance which was mandated in the Police Stations and Public places by the Honorable Supreme Court.
- Tera Software completed in the current financial year the implementation of Bharat Net Project in the state of ODISHA. Bharat net is a Central Government of India Initiative to enrich the Rural India with the Broad Band Services, targeted to extend 2,50,000 Gram panchayats across India.
- The Govt. of India is emphasizing on the digital financial transactions which requires Broad Band services coverage to reach 90% of population from the current 35% coverage. This enhances the business opportunities to your company to build infra and maintenance services.
- Tera Software will be delivering the Maintenance services for Bharat net projects for next 6 Years to upkeep the network for delivery of services.
- Tera Software is more focused in the Broad Band services which is very essential post corona Pandemic to deliver on line services. Tera software is currently establishing the connectivity to 16,000 Gram panchayats under the Bharat Net project. And focused to bid for the same services in other parts of the Country under Bharat Net project.
- Tera Software will strive in technology in future days to extend the Fiber to Home services across rural India as it had the expertise and delivered the technology to 10 lakh Households in the state of Andhra Pradesh.
- We are ISO 20000-1:2011, ISO 27001:2013 and ISO 9001:2015 certified Company offering innovative, flexible and affordable software solutions to customers across the globe.
- FTTH Solutions. (Broad band services)
- Mobile Applications.
- Surveillance.
- Safe and
- SMART City.

RISKS AND CONCERNS

Human capital, diversity, and talent management is the second-highest business risk. The succession challenges and ability to recruit and retain top talent in the tightening market may limit the ability to achieve business goals. The pandemic has accelerated skills shortages with hard-to-fill gaps for crucial projects, such as digitalization – a process to alleviate such deficiencies in the future. Businesses must tackle wage inflation, skill shortages, and the need to offer better psychological support to staff. That entails retooling their organizational culture.

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

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

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

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

The Company constantly reviews the man power requirements and has a properly equipped department to take care of the requirements. The total number of people employed by the Company as on 31.03.2023 is 1004.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

| | Particulars | Numerator | Denominator | 31.03.2023 | 31.03.2022 | Variance |
|----|-------------------------------------------|-------------------|---------------------|------------|------------|----------|
| a) | Current Ratio | Current assets | Current liabilities | 1.93 | 1.45 | 46.00% |
| b) | Debt-Equity ratio | Total liabilities | Shareholders equity | 0.83 | 1.55 | -71.00% |
| c) | Return on equity ratio | Net Income | Equity | 0.03 | (0.01) | 2.00% |
| d) | Inventory turnover ratio | Inventory | Turnover | 0 | 0.02 | -2.00% |
| e) | Debtors (Trade receivable) turnover ratio | receivables | Turnover | 0.86 | 1.47 | -61.00% |
| f) | Net Profit ratio | net profit | Turnover | 0.02 | (0.01) | 2.00% |
| g) | Interest coverage ratio | EBITDA | Interest expenses | 2.40 | 0.97 | 143% |
| h) | Operating Profit Margin ratio | Operating Profit | Net Sales | 9.47 | 4.93 | 454% |

Explanation

a) Current Ratio

During the year, the company accounted for outstanding payables/creditors as credit balances written back, resulting in back-to-back liabilities for the bad debts that were written off. This approach caused a significant decrease in current liabilities when compared to the previous year. This resulted increase in Current Ratio.

b) Debt-Equity Ratio

During the year, the company made the decision to treat outstanding payables/creditors as credit balances written back, resulting in back-to-back liabilities along with the write-off of bad debts. Additionally, the company successfully cleared a short-term loan from others amounting to Rs. 1,306 Lakhs compared to the previous year. As a result, the total liabilities decreased by 50%, leading to a decrease in the debt equity ratio. This reduction in liabilities and improved debt equity ratio signify a positive financial outcome for the company.

c) Debtors Turnover Ratio

During the year, the company exercised prudence by writing off long-outstanding bad debts, aligning its financial position with sound accounting practices. The decision to write off these debts was necessary to accurately represent the company's financial standing. Consequently, the debtors turnover ratio experienced a decrease, indicating a slower pace of collecting outstanding receivables.

d) Interest Coverage Ratio

During the Year, the company had a lower Utilization of funds, resulting in a reduction in the interest component. As a result, the company's Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) increased compared to the previous Year.

e) Operating Profit Margin Ratio

The Operating Profit Margin increased during the Year due to reduced expenses in subcontracting works, offsetting the drop in sales of services. This improvement can be attributed to the implementation of the operating Profit Method, emphasizing cost reduction and resulting in a higher Profit Margin.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 27th May, 2023

Tummala Gopichand
Chairman and Managing Director
DIN: 00107886

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Annexure-I
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

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

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

| Sl. No. | Particulars | A. | B. | C. | D. | E. | F. |
|---------|---------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 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 | In the normal course of business | In the normal course of business |
| e. | Date(s) of approval by the Board, if any: | 30-05-2022 | 30-05-2022 | 30-05-2022 | 30-05-2022 | NA | NA |
| f. | Amount paid as advances, if any: | Nil | Nil | Nil | Nil | Nil | Nil |

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 27th May, 2023

Tummala Gopichand
Chairman and Managing Director
DIN: 00107886

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UDIN: F007976E000349075

Annexure - J

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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
MCH No.8-2-293/82/A/1107, Road No-55, Plot No-1107
Jubilee Hills, Hyderabad-500033, Telangana

We 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'). The 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, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review]
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review]

- (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; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review]
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review]
- (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; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review]
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [The Listed entity didn't take any action which attracts the provisions of these Regulations during the period under review].
- (vi) The IEPF & Misc. Provisions Act, 1952;
- (vii) Other Laws applicable specifically to the Company, namely:
 - Information Technology Act, 2000;
 - The Micro, Small and Medium Enterprises Development Act, 2006

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE (Bombay Stock Exchange) & NSE (National Stock Exchange) read with the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

We further report that

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We 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.

**For C V REDDY K & ASSOCIATES
COMPANY SECRETARIES**

**C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998**

Place: Hyderabad
Date: 22nd May, 2023

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

'Annexure A'

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

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 various Environmental Laws, Labour Laws 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.

**For C V REDDY K & ASSOCIATES
COMPANY SECRETARIES**

**C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998**

Place: Hyderabad
Date: 22nd May, 2023

UDIN: F007976E000303361

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

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF
TERA SOFTWARE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023**

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

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

- (a) all the documents and records made available to us and explanation provided by Tera Software Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2023 (“Review Period”) in respect of compliance with the provisions of:

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (i) Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations 1993;
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations 2018; and circulars/ guidelines issued thereunder;
- and based on the above examination, I/We hereby report that, during the Review Period:
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Regulation/Circular No. | Deviations | Action Taken by | Type of Action | Details of Violation | Fine Amount | Observations /Remarks of the Practicing Company Secretary | Management Response | Remarks |
|------------|-------------------------------------------------------------------------------------|-------------------------|------------|-----------------|----------------|----------------------|-------------|-----------------------------------------------------------|---------------------|---------|
| Nil | | | | | | | | | | |

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Regulation/Circular No. | Deviations | Action Taken by | Type of Action | Details of Violation | Fine Amount | Observations /Remarks of the Practicing Company Secretary | Management Response | Remarks |
|------------|-------------------------------------------------------------------------------------|-------------------------|------------|-----------------|----------------|----------------------|-------------|-----------------------------------------------------------|---------------------|---------|
| Nil | | | | | | | | | | |

The additional affirmations by Practising Company Secretary (PCS) in Annual Secretarial Compliance Report (ASCR) in terms of the BSE Circular No.20230410-41 dated: April 10, 2023 and NSE Circular No.NSE/CML/ 2023/21 are given in the attached Annexure.

**For C V REDDY K & ASSOCIATES
COMPANY SECRETARIES**

**C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998**

Place: Hyderabad
Date: 13th May, 2023

Annexure

| Sr. No. | Particulars | Compliance Status (Yes/No/NA) | Observations / Remarks by PCS |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| 1. | Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI). | Yes | -- |

| | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------------------------|
| 2. | <p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI. | Yes | -- |
| 3. | <p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. | Yes | -- |
| 4. | <p>Disqualification of Director:</p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p> | Yes | -- |
| 5. | <p>To examine details related to Subsidiaries of listed entities:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p> | NA | The Company is not having any subsidiaries |
| 6. | <p>Preservation of Documents:</p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p> | Yes | -- |
| 7. | <p>Performance Evaluation:</p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p> | Yes | -- |

| | | | |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <p>8.</p> | <p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.</p> | <p>Yes</p> | <p>--</p> |
| <p>9.</p> | <p>Disclosure of events or information:</p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p> | <p>Yes</p> | <p>--</p> |
| <p>10.</p> | <p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p> | <p>Yes</p> | <p>--</p> |
| <p>11.</p> | <p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p> | <p>Yes</p> | <p>--</p> |
| <p>12.</p> | <p>Additional Non-compliances, if any:</p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p> | <p>Yes</p> | <p>--</p> |

**For C V REDDY K & ASSOCIATES
COMPANY SECRETARIES**

**C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998**

**Place: Hyderabad
Date: 13th May, 2023**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TERA SOFTWARE LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of TERA SOFTWARE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the ("standalone financial statements")).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, 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 standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statement 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 standalone financial statements under the provisions of the Act and the Rules made there under, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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>Recognition and Measurement of Bad Debts:</p> <p>We have determined that the recognition and measurement of bad debts constitute a key audit matter in our audit of the financial statements of Tera Software Limited, a listed software company. Bad debts are considered significant due to their potential impact on the company's revenue recognition and financial performance. Our audit response involved evaluating the adequacy of the company's bad debt provision and assessing the effectiveness of internal controls over the estimation process.</p> | <p>Our audit procedure in respect of this area included:</p> <p>Risk Assessment: We assessed the risk of material misstatement in the recognition and measurement of bad debts, considering the inherent complexities in the software industry's revenue recognition and the potential impact of economic factors on customers' ability to pay.</p> <p>Evaluation of Internal Controls: We evaluated the design and implementation of internal controls over the estimation of bad debts, including the company's policies and procedures for assessing</p> |

| S. No. | Key Audit Matter | Auditor's Response |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>credit risk, monitoring customer payments, and determining appropriate provisions for doubtful accounts.</p> <p>Testing of Bad Debt Provision: We performed substantive testing procedures to validate the completeness and accuracy of the bad debt provision. This included reviewing the ageing of accounts receivable, analyzing historical collection patterns, assessing the reasonableness of assumptions used in the estimation process, and comparing the provision to actual write-offs.</p> <p>Management Representations: We obtained written representations from management regarding the completeness and accuracy of information provided to us concerning the bad debt provision, including details on significant write-offs during the period.</p> <p>Our audit procedures provided us with sufficient appropriate audit evidence to form an opinion on the reasonableness of the bad debt provision and its impact on the financial statements.</p> |
| 2 | <p>Provisions and Contingent Liabilities and Evaluation of uncertain tax positions:</p> <p>There are material claims against the company and uncertain Tax/GST positions which are under various stages of dispute, involving significant judgment to determine the possible outcome of these disputes.</p> | <p>We have obtained details of key claims against the company, completed tax assessments and demands and tax/duty positions.</p> <p>We reviewed status of disputes and representation taken from the management, discussed with appropriate senior management and evaluated the management's underlying key assumptions.</p> <p>We assessed management's estimate of the possible outcome of the disputed cases in evaluating management's position on these uncertain claims and tax positions and assessed the appropriate disclosures in the financials.</p> |

Information Other than the Financial Statements and Auditor's Report Thereon

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 to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, 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 Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 the 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 standalone 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 head verse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- a) As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the IndAS Specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's 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:

- h) 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.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
1. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 2. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that there presentations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared by the company during the year.
- j) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

For Narven Associates
Chartered Accountants
Firm Regn. No: 0005905S

CA. G.V. RAMANA
Partner
Membership No: 025995
UDIN: 23025995BGSKZV1014

Place: Hyderabad
Date: 27th May, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE INDAS FINANCIAL STATEMENTS OF M/S TERA SOFTWARE LIMITED

Report on the Internal Financial Controls Over Financial Reporting 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 M/s TERA SOFTWARE LIMITED (the “Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company 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 (the “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 safe guarding 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI

For Narven Associates
Chartered Accountants
Firm Regn. No: 0005905S

CA. G.V. RAMANA
Partner
Membership No: 025995
UDIN: 23025995BGSKZV1014

Place: Hyderabad
Date: 27th May, 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ISSUED TO THE MEMBERS OF TERA SOFTWARE LIMITED OF EVEN DATE

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company does not have any Intangible Assets during the year. Hence reporting under clause 3(i)(a)(B) is not applicable.

- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of lease agreement for land/ Registered sale deed/ transfer deed/conveyance deed provided to us, we report that, the title in respect of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (b) The Company has been sanctioned working capital limits in excess of ₹ 30 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) and the quarterly returns or statements filed by the company with such books or financials-institutions are in agreement with the books of accounts of the company.
- iii. The Company has not made any investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, hence the reporting under this clause is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable, except in the case of GST of Rs.6.28 Crores

| S. No | Nature of Dues | Amount | Period to which the amount relates |
|-------|----------------|-------------|------------------------------------|
| 1 | GST Due | 6.28 Crores | 2020-21 |

B. There are no dues of Income Tax or Sales Tax or Service Tax or Duty of customs or duty of Excise or Value added tax or GST, which have not been deposited on account of any dispute.

| S. no. | Name of the Statute | Nature of the dues | Amount (Rs) | Period to which the amount relates | Forum where dispute is pending |
|--------|----------------------------|---------------------------|-------------|------------------------------------|------------------------------------------------------------------------|
| 1 | The Kerala VAT Rules, 2005 | Value Added Tax | 84,16,222 | 2005-06 | Kerala VAT AT |
| 2 | The Kerala VAT Rules, 2005 | Value Added Tax | 61,50,240 | 2006-07 | Kerala VAT AT |
| 3 | The Kerala VAT Rules, 2005 | Value Added Tax | 7,42,446 | 2007-08 | Kerala VAT AT |
| 4 | The Kerala VAT Rules, 2005 | Value Added Tax | 8,52,280 | 2008-09 | Kerala VAT AT |
| 5 | The Kerala VAT Rules, 2005 | Value Added Tax | 4,66,474 | 2009-10 | Kerala VAT AT |
| 6 | The AP VAT | Value Added Tax | 50,70,072 | 2015-16 | Vat Appellate Tribunal, Andhra Pradesh |
| 7 | The AP VAT | Value Added Tax | 87,81,759 | 2016-17 (April to Sep) | Vat Appellate Tribunal, Andhra Pradesh |
| 8 | The AP VAT | Penalty on VAT | 12,67,518 | 2015-16 | Vat Appellate Tribunal, Andhra Pradesh |
| 9 | The AP VAT | Penalty on VAT | 21,95,440 | 2016-17 | Vat Appellate Tribunal, Andhra Pradesh |
| 10 | The AP VAT | Value Added Tax & Penalty | 21,45,089 | 2016-17 & 2017-18 (Till June-18) | Vat Appellate Tribunal, Andhra Pradesh |
| 11 | The Finance Act 1994 | Service Tax | 3,99,98,766 | 2011-12 | CESTSAT- Hyderabad |
| 12 | The Finance Act 1994 | Penalty On Service Tax | 4,00,08,766 | 2011-12 | CESTSAT- Hyderabad |
| 13 | The Finance Act 1994 | Service Tax | 15,40,170 | 2008-09 to 2012-13 | CESTSAT- Hyderabad |
| 14 | The Finance Act 1994 | Penalty On Service Tax | 15,50,170 | 2008-09 to 2012-13 | CESTSAT- Hyderabad |
| 15 | The AP VAT | Value Added Tax & Penalty | 6,97,000 | 2014-15 | Vat Appellate Tribunal, Andhra Pradesh |
| 16 | GST | GST & Interest | 5,55,67,058 | March - 2020 to May-2021 | Appellate Deputy Commissioner, Andhra Pradesh |
| 17 | GST | Interest & Penalty | 91,28,981 | September 2019 to March 2020 | Appellate Deputy Commissioner, Andhra Pradesh |
| 18 | Transitional Credit | interest & Penalty | 1,41,67,242 | September 2019 to March 2020 | Joint/Additional Commissioner of central Tax (Appeals), Andhra Pradesh |

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- ix. (a) The Company has not defaulted in repayment of any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The company has not taken any term loans during the year and hence, reporting under clause 3(ix)© of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Joint ventures and associates and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate Internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a)(b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the cash loss amounting to Rs. 78.25 lakhs in the immediately preceding financial year has been reported.
- xviii. There has been no resignation of statutory auditors due to casual vacancy. The change of Statutory auditors has been happened under companies act 2013 i.e. Auditor retires by rotation.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For Narven Associates
Chartered Accountants
Firm Regn. No: 0005905S

CA. G.V. RAMANA
Partner
Membership No: 025995
UDIN: 23025995BGSKZV1014

Place: Hyderabad
Date: 27th May, 2023

Intentionally Kept Blank

TERA SOFTWARE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Lakhs

| Particulars | Note | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|----------------------------------------------------------------------------------------|------|--------------------------------|--------------------------------|
| I. ASSETS | | | |
| 1. Non-current assets | | | |
| (i) Property, Plant & Equipment | 1 | 2,674.51 | 3,004.60 |
| (ii) Financial Assets | | | |
| (a) Other Financial Assets | 2 | 245.57 | 242.24 |
| (iii) Other non current assets | 3 | 504.80 | 462.67 |
| (iv) Deferred tax Asset (net) | 4 | 284.11 | 334.96 |
| Total non-current assets | | 3,708.99 | 4,044.47 |
| 2. Current assets | | | |
| (i) Inventories | 5 | 12.28 | 273.99 |
| (ii) Financial Assets | | | |
| (a) Trade receivables | 6 | 12,800.19 | 18,349.68 |
| (b) Cash and Cash Equivalents | 7 | 1,600.81 | 1,004.11 |
| (c) Other financial assets | 8 | 659.26 | 1,770.45 |
| (iii) Other current assets | 9 | 944.61 | 1,989.44 |
| Total current assets | | 16,017.15 | 23,387.67 |
| TOTAL | | 19,726.15 | 27,432.14 |
| II EQUITY AND LIABILITIES | | | |
| A Equity | | | |
| (a) Equity Share Capital | 10 | 1,251.19 | 1,251.19 |
| (b) Other Equity | 11 | 9,535.65 | 9,487.64 |
| Total Equity | | 10,786.84 | 10,738.83 |
| B Liabilities | | | |
| 1. Non-current liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Lease Liabilities | | - | - |
| (b) Borrowings | 12 | 483.74 | 435.30 |
| (ii) Provisions | 13 | 166.94 | 140.40 |
| Total non-current liabilities | | 650.68 | 575.70 |
| 2. Current liabilities | | | |
| (i) Financial liabilities | | | |
| (a) Lease Liabilities | | | |
| (b) Borrowings | 14 | 1,931.51 | 5,618.87 |
| (c) Trade payables | 15 | | |
| Total Outstanding dues to Micro enterprises and small enterprises | | 145.22 | 271.31 |
| Total Outstanding dues to creditors other than Micro enterprises and small enterprises | | 4,441.84 | 7,849.10 |
| (d) Other financial liabilities | 16 | 821.00 | 1,203.32 |
| (ii) Other current liabilities | 17 | 904.92 | 1,064.87 |
| (iii) Provisions | 18 | 44.23 | 110.15 |
| Total current liabilities | | 8,288.72 | 16,117.62 |
| TOTAL | | 19,726.15 | 27,432.14 |

TERA SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

| Particulars | Note | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|--------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------|--------------------------------|
| Income | | | |
| I Revenue from operations | 19 | 13,080.03 | 12,714.25 |
| II Other income | 20 | 2,515.93 | 318.47 |
| III Total Income (I+II) | | 15,595.96 | 13,032.72 |
| IV Expenses | | | |
| Purchases | 21 | - | - |
| Change in inventories | 22 | 261.71 | - |
| Technical & Operation expenses | 23 | 8,456.13 | 10,172.59 |
| Employee benefit expenses | 24 | 1,751.93 | 1,442.63 |
| Finance costs | 25 | 636.20 | 1,104.52 |
| Depreciation and amortization expenses | 1 | 23.49 | 47.86 |
| Other expenses | 26 | 3,600.94 | 347.43 |
| Total Expenses (IV) | | 14,730.40 | 13,115.03 |
| V Profit /(Loss) before Exceptional items and tax (III-IV) | | 865.56 | (82.31) |
| VI Exceptional items | | - | - |
| VII Profit/(Loss) before tax (V-VI) | | 865.56 | (82.31) |
| VIII Tax expense | | | |
| 1) Current tax | | 190.37 | 51.54 |
| 2) Earlier years Taxes | | 276.53 | - |
| 3) Deferred tax (Net) | | 52.08 | (3.70) |
| IX Profit/(Loss) for the period from continuing operations (VII-VIII) | | 346.58 | (130.15) |
| X Profit/(Loss) from discontinued operations | | - | - |
| XI Tax expense of discontinued operations | | - | - |
| XII Profit/(Loss) from discontinued operations (after tax) (X-XI) | | - | - |
| XIII Profit/(Loss) for the period (IX-XII) | | 346.58 | (130.15) |
| 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 | | (4.88) | 5.40 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | (1.23) | 1.36 |
| XV Total Comprehensive income for the period (XIII+XIV) (Comprising Profit /(Loss) and Other Comprehensive income for the period | | 342.93 | (126.11) |
| XVI Earnings per equity share Rs10/- (for continuing operations) | | | |
| 1) Basic | | 2.77 | (1.04) |
| 2) Diluted | | 2.77 | (1.04) |

TERA SOFTWARE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

| Particulars | Year Ended 31.03.2023 | Year Ended 31.03.2022 |
|---------------------------------------------------------------|--------------------------|--------------------------|
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before tax as per Profit & Loss Statement | 865.56 | (82.31) |
| Adjustments for: | | |
| Depreciation and amortisation | 23.49 | 47.86 |
| Sundry Credit Balances Written Back | 1,421.00 | - |
| Interest Income | (40.15) | (53.67) |
| Bad Debts Written Off | 3,333.00 | - |
| Finance Cost | (636.20) | (1,104.52) |
| Advances Written Off | 347.53 | - |
| Changes in Assets and Liabilities: | | |
| Trade receivables | 2,222.27 | 1,367.21 |
| Other Financial Assets and Other Assets | 760.33 | 952.89 |
| Other Non Current Assets | (42.13) | 176.28 |
| Other Current Assets | (1,044.83) | (503.07) |
| Inventories | 261.71 | - |
| Trade Payables | (4,954.35) | (2,509.56) |
| Long Term Provisions | 26.54 | (21.13) |
| Other Current Liabilities | (159.95) | (140.16) |
| Short Term Provisions | (65.92) | (8.76) |
| Other Financial Liabilities | 382.32 | (199.07) |
| Cash generated from operations | 2,700.22 | (2,078.01) |
| Income tax paid | 575.94 | (46.14) |
| Net cash flow from operating activities (A) | 3,276.16 | (2,124.15) |
| B. Cash flow from investing activities | | |
| Property, Plant & Equipment | (23.49) | - |
| Sale of Land | 306.60 | - |
| Interest Income | 40.15 | 53.67 |
| Net cash flow from Investing activities (B) | 323.26 | 53.67 |
| C. Cash flow from financing activities | | |
| Short Term Borrowings(Net) | (3,687.36) | 506.29 |
| Long Term Borrowings | 48.44 | 86.42 |
| Interest Paid | 636.20 | 1,104.52 |
| Net cash flow from Financing activities (C) | (3,002.72) | 1,697.23 |
| Net increase in Cash and cash equivalents (A+B+C) | 596.70 | (373.25) |
| Opening balance of Cash and cash equivalents | 1,004.11 | 1,377.36 |
| Closing balance of Cash and cash equivalents | 1,600.81 | 1,004.11 |
| Components of Cash and Cash Equivalents | | |
| Cash and cheques on Hand | 9.40 | 10.91 |
| Balances with Banks | | |
| -On Current Accounts | 1,011.46 | 8.30 |
| -On Deposit Accounts | 579.95 | 984.90 |
| Cash and cash Equivalent as per Note 7 | 1,600.81 | 1,004.11 |

For Tera Software Limited

Place: Hyderabad
Date : 27th May 2023

T. Gopichand
Chairman & Managing Director
DIN : 00107886

1. PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

| Particulars | Gross Block | | | Depreciation | | | Net Block | | | |
|-------------------------------------|------------------|-----------------------------------|-----------------------------------|------------------|-----------------|----------------------|-----------------------------------|-----------------|-----------------|-----------------|
| | As at 01-Apr-22 | Additions during the year/ period | Deletions during the year/ period | Upto 31-Mar-23 | As at 01-Apr-22 | For the Year/ period | Deletions during the year/ period | Upto 31-Mar-23 | As at 31-Mar-23 | As at 31-Mar-22 |
| i. TANGIBLE | | | | | | | | | | |
| Land * | 2,536.95 | - | 307.29 | 2,229.66 | - | - | - | - | 2,229.66 | 2,536.95 |
| Buildings | 558.09 | - | - | 558.09 | 119.37 | 10.25 | - | 129.62 | 428.47 | 438.72 |
| Plant and Equipment | 5,462.02 | - | - | 5,462.02 | 5,460.79 | 1.33 | - | 5,462.12 | -0.10 | 1.23 |
| Furniture and Fixtures | 247.30 | - | - | 247.30 | 242.73 | 0.91 | - | 243.64 | 3.66 | 4.57 |
| Vehicles | 99.79 | - | - | 99.79 | 85.34 | 8.50 | - | 93.84 | 5.95 | 14.45 |
| Office equipment | 29.16 | 0.69 | - | 29.85 | 27.84 | 0.82 | - | 28.66 | 1.19 | 1.32 |
| Electrical & Fixtures: | 254.46 | - | - | 254.46 | 247.10 | 1.69 | - | 248.79 | 5.67 | 7.36 |
| Capital Assets on Projects Division | 1,082.88 | - | - | 1,082.88 | 1,082.88 | - | - | 1,082.88 | - | - |
| Total | 10,270.65 | 0.69 | 307.29 | 9,964.05 | 7,266.05 | 23.50 | - | 7,289.55 | 2,674.50 | 3,004.60 |
| *Previous Year | 10,270.65 | - | - | 10,270.65 | 7,218.19 | 47.86 | - | 7,266.05 | 3,004.60 | 3,052.46 |

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|---------------------------------------------------------------------|--------------------------------|--------------------------------|
| FINANCIAL ASSETS | | |
| 2 OTHER FINANCIAL ASSETS | | |
| Security and other Deposits | 245.57 | 242.24 |
| Total | 245.57 | 242.24 |
| 3 OTHER NON CURRENT ASSETS (Unsecured, Considered good) | | |
| Bank deposits maturity of morethan 12 months | 76.41 | 34.28 |
| BG Claim Under Protest | 428.39 | 428.39 |
| Total | 504.80 | 462.67 |
| 4 DEFERRED TAX ASSET (NET) | | |
| On account of Fixed Assets | 91.27 | 24.69 |
| On account of Income tax disallowances | 192.84 | 310.27 |
| Total | 284.11 | 334.96 |
| 5 INVENTORIES | | |
| (a) Finished Goods | 12.28 | 160.51 |
| (b) Consumables | - | 113.48 |
| (c) Work-in-progress | - | - |
| Total | 12.28 | 273.99 |
| 6 TRADE RECEIVABLES | | |
| a) Considered Good - Secured | | |
| b) Considered Good - Unsecured | 13,393.89 | 19,123.13 |
| c) Trade Receivables which have significant increase in credit risk | | |
| d) Trade Receivables credit Impaired | | |
| Less: Credit Loss Allowance | (593.70) | (773.45) |
| Total | 12,800.19 | 18,349.68 |
| 7 CASH AND CASH EQUIVALENTS | | |
| (i) Cash on hand | 9.40 | 10.91 |
| (ii) Balances with Banks | | |
| In current accounts | 1,009.03 | 4.46 |
| In Dividend account | 2.43 | 3.84 |
| In Marging Money Deposits | 579.95 | 984.90 |
| Total | 1,600.81 | 1,004.11 |
| 8 OTHER FINANCIAL ASSETS | | |
| Accrued Interest | 26.35 | 27.21 |
| Unbilled Receivables | 632.91 | 1,743.24 |
| Total | 659.26 | 1,770.45 |
| 9 OTHER CURRENT ASSETS (Unsecured and considered good) | | |
| (a) Advance to Suppliers / Service Providers | 378.38 | 879.75 |
| (b) Staff Advances | 1.70 | 3.17 |
| (c) Advance for Expenses | 0.72 | 5.05 |
| (d) Prepaid expense | 118.26 | 126.82 |
| (e) Balances with government authorities | 445.55 | 974.65 |
| Total | 944.61 | 1,989.44 |

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

10 SHARE CAPITAL

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | | As at 31-03-2022 Audited | |
|------------------------------------|-----------------------------|-----------------|-----------------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| AUTHORISED | | | | |
| Equity Shares of Rs 10/- each | 250.00 | 2,500.00 | 250.00 | 2,500.00 |
| ISSUED, SUBSCRIBED & FULLY PAID UP | | | | |
| Equity shares of Rs 10/- each | 125.12 | 1,251.19 | 125.12 | 1,251.19 |
| 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

| Name of The Shareholder | As at 31 March 2023 | | As at 31-03-2022 | |
|-------------------------|------------------------------|------------------------------------------|------------------------------|------------------------------------------|
| | No of shares held (in lakhs) | % out of number of shares of the company | No of shares held (in lakhs) | % out of number of shares of the company |
| Tummala Gopichand | 11.97 | 9.56% | 11.97 | 9.56% |
| Tummala Pavana Devi | 5.75 | 4.59% | 5.75 | 4.59% |
| Tummala Madhu Mitra | 8.41 | 6.72% | 8.41 | 6.72% |
| Tummala Raja Sekhar | 28.25 | 22.58% | 28.25 | 22.58% |

10.2 RECONCILIATION OF NUMBER OF SHARES

| Name of The Shareholder | As at 31 March 2023 | | As at 31-03-2022 | |
|-------------------------------------------------|------------------------------|------------------------------------------|------------------------------|------------------------------------------|
| | No of shares held (in lakhs) | % out of number of shares of the company | No of shares held (in lakhs) | % out of number of shares of the company |
| Shares outstanding at the beginning of the year | 125.12 | 1,251.19 | 125.12 | 1,251.19 |
| Add: Shares issued during the year | - | - | - | - |
| | 125.12 | 1,251.19 | 125.12 | 1,251.19 |
| Less: Shares bought back during the year | - | - | - | - |
| | 125.12 | 1,251.19 | 125.12 | 1,251.19 |

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

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

11 OTHER EQUITY

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|----------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| <u>Securities Premium</u> | | |
| 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 |
| <u>General Reserve</u> | | |
| 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 |
| <u>Surplus in Profit and Loss Account</u> | | |
| Figures as at the end of the previous reporting period | 4,807.21 | 4,927.98 |
| CSR Expenditure | (12.45) | |
| IND AS Impact | (287.89) | |
| Add: Profit for the year / period | 346.58 | (130.15) |
| Figures as at the end of Reporting period | 4,853.55 | 4,797.83 |
| Other Comprehensive Income / Loss Net of Tax at the end of the previous reporting year | | |
| Other Comprehensive Income / Loss Net of Tax | (3.65) | 4.04 |
| Less: Proposed dividend | - | - |
| : Tax on Proposed dividend | - | - |
| : Transfer to General Reserves | - | - |
| | (3.65) | 4.04 |
| Total of Reserves and Surplus | 9,535.66 | 9,487.63 |

NATURE OF RESERVES

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

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| 12 LONG TERM BORROWINGS | | |
| Term loans | | |
| From Banks | - | 0.46 |
| From Directors | 483.74 | 434.84 |
| Total | 483.74 | 435.30 |
| 13 LONG TERM PROVISIONS | | |
| Provision for employee benefits: | | |
| Gratuity | 166.94 | 140.40 |
| Total | 166.94 | 140.40 |
| 14 SHORT TERM BORROWINGS | | |
| - Secured | | |
| (a) Loans repayable on demand from banks | - | 2.77 |
| (b) Cash credit | 1,931.51 | 4,309.40 |
| (c) Short Term Working Capital Loans from Banks | | |
| (d) Short Term Loan from Others 1 & 2 | - | 1,306.70 |
| Total | 1,931.51 | 5,618.87 |
| 15 TRADE PAYABLES | | |
| - Total Outstanding dues to Micro enterprises and small enterprises | 145.22 | 271.31 |
| - Total Outstanding dues to creditors other than Micro enterprises and small enterprises | 4,441.84 | 7,849.10 |
| Total | 4,587.06 | 8,120.41 |
| 16 OTHER FINANCIAL LIABILITIES | | |
| Retention money | 83.90 | 86.87 |
| Unpaid Dividend | 2.43 | 3.84 |
| Other Payables | 734.67 | 1,112.61 |
| Advance for Sale of Asset | - | - |
| Total | 821.00 | 1,203.32 |
| 17 OTHER CURRENT LIABILITIES | | |
| Advance from customers / Mobilisation advances | - | - |
| Statutory dues | 720.40 | 736.66 |
| Other payables | 184.52 | 328.21 |
| Total | 904.92 | 1,064.87 |
| 18 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits: | | |
| Gratuity | 44.23 | 44.15 |
| Provision- others: | | |
| - Provision for SLA's | - | 66.00 |
| Provision for CSR | | |
| Total | 44.23 | 110.15 |

NOTE to Sl. No 14 (c) and (d)

- 1 Secured Purchase Finance of Rs 0.00 lakhs (Previous year Rs 1116.7 lakhs) availed from Oxyzo Financial Services Private Limited against Bank Guarantees
- 2 Secured Loan (availed Rs 200.00 Lakhs) outstanding of Rs NIL lakhs (Previous Year 190.00 Lakhs) from Merlin Holdings Private Limited against pledge of promoter shares

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|-------------------------------------------------|--------------------------------|--------------------------------|
| 19 REVENUE FROM OPERATIONS | | |
| Sale of Services | 11,658.06 | 12,633.00 |
| Operating Revenue | 1,421.97 | 81.25 |
| Total | 13,080.03 | 12,714.25 |
| 20 OTHER INCOME | | |
| Interest income | 40.16 | 53.67 |
| Rental Income | 297.41 | 264.80 |
| Other Income | 2.25 | - |
| Profit on Sales Asset | 2,176.11 | - |
| Total | 2,515.93 | 318.47 |
| 21 PURCHASES | | |
| Purchase | - | - |
| Total | - | - |
| 22 CHANGES IN INVENTORIES | | |
| INVENTORIES AT THE BEGEMNING OF THE YEAR | | |
| Opening Stock | | |
| Traded Goods | 160.51 | 160.51 |
| Consumables | 113.48 | 113.48 |
| Total (A) | 273.99 | 273.99 |
| INVENTORIES AT THE END OF THE YEAR | | |
| Closing Stock | | |
| Traded Goods | 12.28 | 160.51 |
| Consumables | - | 113.48 |
| Total (B) | 12.28 | 273.99 |
| (Increase) / Decrease in Stocks (A) - (B) | 261.71 | - |
| 23 TECHNICAL & OPERATION EXPENSES | | |
| Power and Fuel | 28.49 | 24.05 |
| Software Maintenance Charges | 77.40 | 42.32 |
| Rent Charges | 16.11 | 18.27 |
| Consumables | 1.39 | 0.71 |
| Insurance | 11.82 | 30.22 |
| Repairs & Maintenance | 62.57 | 38.20 |
| Transport Charges | 9.86 | 20.71 |
| Exchange Fluctuation | 58.06 | 20.84 |
| Subcontract & Other Work Charges | 8,190.43 | 9,977.27 |
| Total | 8,456.13 | 10,172.59 |
| 24 EMPLOYEE BENEFIT EXPENSE | | |
| Salaries, Wages and other benefits | 1,592.69 | 1,310.33 |
| Contribution to Provident Fund & other Funds | 158.09 | 130.85 |
| Staff Welfare Expense | 1.15 | 1.45 |
| Total | 1,751.93 | 1,442.63 |
| 25 FINANCE COST | | |
| Interest | 521.20 | 852.73 |
| Other borrowing cost | 115.00 | 251.79 |
| Total | 636.20 | 1,104.52 |

TERA SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in Lakhs

| Particulars | As at 31-03-2023 Audited | As at 31-03-2022 Audited |
|-----------------------------------------------|--------------------------------|--------------------------------|
| 26 OTHER EXPENSES | | |
| Rates and Taxes | 31.33 | 23.47 |
| Office Maintenance | 8.80 | 2.95 |
| Communication Expense | 4.43 | 6.16 |
| Conveyance Expense | 25.05 | 26.02 |
| Travelling, Boarding & Lodging Expense | 15.09 | 21.47 |
| Printing and Stationery | 1.69 | 1.50 |
| Professional & Consultancy Expense | 51.87 | 35.18 |
| Directors' sitting fee | 4.48 | 5.79 |
| Advertisement Expense | 1.85 | 1.28 |
| Advances Written Off | 206.53 | 0.11 |
| Bad Debts Written off | 3,333.39 | - |
| Business Promotion | 2.17 | 5.12 |
| Bank Charges and Others | 4.14 | 3.15 |
| CSR Expenses | 5.33 | - |
| Interest on late payment on GST / Service Tax | 5.14 | 46.54 |
| Expected Credit Loss | (179.76) | 140.68 |
| Repairs & Maintenance-Buildings | 4.45 | - |
| Miscellaneous Expense | 61.46 | 15.02 |
| Payment to Auditors | | |
| Statutory Audit fee | 9.00 | 9.00 |
| Tax Audit Fee | 3.00 | 3.00 |
| Other Services | 1.50 | 1.00 |
| Total | 3,600.94 | 347.44 |

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SIGNIFICANT ACCOUNTING POLICIES

a) 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, 2023 and year ended March 31, 2022 are prepared in compliance with Ind AS.

b) Basis of accounting

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis as stated in the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

c) 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.

d) 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.

e) 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.

f) 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.

g) Property, plant and equipment (PPE)

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

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

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

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

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

Freehold land is not depreciated.

h) Investment property

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

i) Intangible assets

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

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

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

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

j) 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.

k) Employee Benefits

Short term employee benefits:

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

Post-employment benefits:

Provident Fund

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

Gratuity

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

l) Leases

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

(i) Finance leases

- a) Leases where the company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalized at the 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 recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

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

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

m) Financial Instruments

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

Financial assets

Financial asset is

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

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

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

B. A financial asset is primarily derecognized when:

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

On de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in profit or loss.

C. Impairment of financial assets: The Company recognizes impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

Financial liabilities

Financial liability is Contractual Obligation to

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

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

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

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.

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.

n) Inventories

Inventories are valued after providing for obsolescence, as under:

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

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

o) 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.

p) Borrowing Costs

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

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

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

q) 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 recognized 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.

r) Taxes on income

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

Current Tax

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

Deferred tax

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are

recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

s) Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the company. The changes in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in Technology.

Property, plant and equipment consist of the following for the year ended 31st March -2023

| Particulars | Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Electrical & Fixtures | Capital Assets on Projects Division |
|------------------------------------------------------|-----------------|---------------|-------------------|----------------------|--------------|------------------|-----------------------|-------------------------------------|
| Gross carrying value as at April 1, 2022 | 2,536.95 | 558.09 | 5,462.02 | 247.30 | 99.79 | 29.16 | 254.46 | 1,082.88 |
| additions | - | - | - | - | - | 0.69 | - | - |
| Deletions * | 307.29 | - | - | - | - | - | - | - |
| Gross carrying value As at March 31, 2023 | 2,229.66 | 558.09 | 5,462.02 | 247.30 | 99.79 | 29.85 | 254.46 | 1,082.88 |
| Accumulated Depreciation as at April 1, 2022 | - | 119.37 | 5,460.79 | 242.73 | 85.34 | 27.84 | 247.10 | 1,082.88 |
| Depreciation | - | 10.25 | 1.33 | 0.91 | 8.50 | 0.82 | 1.69 | - |
| Accumulated Depreciation on Deletions | - | - | - | - | - | - | - | - |
| Accumulated Depreciation as at March 31, 2023 | - | 129.62 | 5,462.12 | 243.64 | 93.84 | 28.66 | 248.79 | 1,082.88 |
| Carrying value as at April 1, 2022 | 2,536.95 | 438.72 | 1.23 | 4.57 | 14.45 | 1.32 | 7.36 | - |
| Carrying value as At March 31, 2023 | 2,229.66 | 428.47 | 0.00 | 3.66 | 5.95 | 1.19 | 5.67 | - |

Property, plant and equipment consist of the following for the year ended 31st March -2022

| Particulars | Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Electrical & Fixtures | Capital Assets on Projects Division |
|------------------------------------------------------|-----------------|---------------|-------------------|----------------------|--------------|------------------|-----------------------|-------------------------------------|
| Gross carrying value as at April 1, 2021 | 2,536.95 | 558.09 | 5,461.47 | 247.30 | 111.63 | 29.16 | 254.46 | 1,082.88 |
| Additions | - | - | 0.54 | - | - | - | - | - |
| Deletions * | - | - | - | - | 11.84 | - | - | - |
| Gross carrying value as at March 31, 2022 | 2,536.95 | 558.09 | 5,462.02 | 247.30 | 99.79 | 29.16 | 254.46 | 1,082.88 |
| Accumulated Depreciation as at April 1, 2021 | - | 109.11 | 5,451.94 | 234.10 | 76.85 | 26.38 | 236.93 | 1,082.88 |
| Depreciation | - | 10.26 | 8.85 | 8.63 | 8.49 | 1.46 | 10.17 | - |
| Accumulated Depreciation on deletions | - | - | - | - | - | - | - | - |
| Accumulated Depreciation as at March 31, 2022 | - | 119.37 | 5,460.79 | 242.73 | 85.34 | 27.84 | 247.10 | 1,082.88 |
| Carrying value as at April 1, 2021 | 2,536.95 | 448.98 | 10.08 | 13.20 | 22.94 | 2.78 | 17.53 | - |
| Carrying value As at March 31, 2022 | 2,536.95 | 438.72 | 1.23 | 4.57 | 14.45 | 1.32 | 7.36 | - |

t) Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

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

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

u) 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.

v) Earnings Per Share:

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

w) Critical Accounting Judgments and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

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

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

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

Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining

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

Estimation of net realizable value of inventories

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

Provision for employee benefits

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

Fair value measurements and valuation processes

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

Intentionally Kept Blank

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
27. Contingent Liabilities and Commitments not provided for

(Rs in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| (A) Contingent Liability | | |
| <i>(A) Matters under litigation</i> | | |
| Claims against the company not acknowledged as debt | | |
| Bank Guarantee invoked by Andhra Pradesh State Fiber net Limited For which the Company has challenged the invocation with the High Court Of Andhra Pradesh** | 428.38 | 428.38 |
| Service Tax / GST | 830.97 | 830.97 |
| Disputed Service Tax Liability for which the company has filed an appeal with CESTAT-Hyderabad | | |
| Sales tax/VAT | | |
| Disputed VAT liability for which the company has filed an appeal with Hon'ble Kerala Value Added Tax Appellate Tribunal, Kozhikode, Kerala. | 166.27 | 166.27 |
| Disputed VAT liability for which the company has filed an appeal with AP VAT Appellate Tribunal-Visakhapatnam | 173.15 | 173.15 |
| Orders issued by Appellate Deputy Commissioner (CT), Tirupathi : Disputed VAT liability for which the company has filed An appeal with AP VAT Appellate Tribunal - Visakhapatnam. | 21.45 | 21.45 |
| Orders issued by Deputy Commissioner (CT), Guntur Division : Disputed VAT liability for which the company has filed an appeal With AP VAT Appellate Tribunal - Visakhapatnam. | 6.97 | 6.97 |
| Orders issued by GST Department: Disputed GST Liability including interest for which Company has filed an appeal with Appellate Deputy Commissioner, Tirupathi | 555.67 | 555.67 |
| Orders issued by GST Department: Disputed GST Liability between GSTR 3B Vs 2B during the period from Sept-2019 to March-2020 including interest for which Company decided to challenge Through appeals/Writ-petitions before Appellate Deputy Commissioner, Tirupathi/Honorable High Court of Andhra Pradesh, Amaravathi. | 91.29 | - |
| Orders issued by Assistant Commissioner of Central Tax and Central Excise Amaravathi CGST Division Vijayawada: Disputed Transitional Credit including interest and Penalty for which Company decide to File an appeal before Joint/Additional Commissioner of Central Tax (Appeals), Guntur, Andhra Pradesh. | 141.67 | - |
| (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 and Letters of credit issued by banks on behalf of Company | 3,046.67 | 5,796.28 |
| (B) Commitments | NIL | NIL |

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

28. Employee Benefits

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

| Description | 2022-23 (Rs in Lakhs) | 2021-22 (Rs in Lakhs) |
|------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. Reconciliation of opening and closing balances of obligation | | |
| a. Obligation as at the beginning of the year | 184.55 | 170.12 |
| b. Current Service Cost | 22.83 | 18.92 |
| c. Interest Cost | 12.65 | 11.22 |
| d. Actuarial (Gain)/Loss | (4.88) | (5.40) |
| e. Past services cost | - | - |
| f. Benefits Paid | (13.74) | (10.31) |
| g. Obligation as at the end of the year | 211.17 | 184.55 |
| 2. Expense recognized in the period | | |
| a. Current Service Cost | 22.83 | 18.92 |
| b. Interest Cost | 12.65 | 11.22 |
| c. Actuarial(Gain)/Loss | 0.00 | 0.00 |
| d. Past service cost | 0.00 | 0.00 |
| e. Expense recognized during the year | 35.48 | 24.73 |
| 3. Assumptions | % | % |
| a. Discount Rate (per annum) as at the end of the year | 7.37 | 7.12 |
| b. Salary Rise | 2.00 | 2.00 |
| c. Attrition Rate | 5.00 | 5.00 |

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-23 (Ind AS-19) | | 31-Mar-22 (Ind AS-19) | |
|------------------------------------------------|-----------------------|-------------|-----------------------|-------------|
| | Decrease | Increase | Decrease | Increase |
| Defined Benefit Obligation (Base) | 2,11,17,021 | | 1,84,54,912 | |
| Discount Rate (-/+ 1%) | 2,25,06,441 | 1,98,91,148 | 1,96,57,544 | 1,73,96,166 |
| (% change compared to base due to sensitivity) | (6.6) | 5.8 | (6.52) | 5.74 |
| Salary Growth Rate (-/+ 1%) | 1,84,92,289 | 2,42,88,468 | 1,62,01,779 | 2,11,78,816 |
| (% change compared to base due to sensitivity) | 12.4 | (15.00) | 12.21 | (14.76) |
| Attrition Rate (-/+ 1%) | 1,84,49,398 | 2,32,38,399 | 1,76,26,091 | 1,91,75,627 |
| (% change compared to base due to sensitivity) | 12.6 | (10.00) | 4.49 | (3.91) |
| Mortality Rate (-/+ 10%) | 2,06,53,152 | 2,15,69,963 | 1,84,32,662 | 1,84,77,040 |
| (% change compared to base due to sensitivity) | 2.2 | (2.1) | 0.12 | (0.12) |

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.

Year ended March 31, 2023 and 2022

(Rupees in Lakhs)

| | Integrated Solutions | Technical Division | Projects Division | Others | Unallocable | Total |
|-------------------------------|-----------------------------|---------------------------|--------------------------|---------------|--------------------|--------------|
| Revenues | - | 5,809.57 | 7,270.45 | - | - | 13,080.03 |
| | - | 2,990.21 | 9,724.04 | - | - | 12,714.25 |
| Identified operating expenses | 206.29 | 5,139.48 | 4,644.01 | - | - | 9,989.78 |
| | 20.84 | 2,675.64 | 8,427.87 | - | - | 11,124.35 |
| Allocated Expenses | -- | -- | 157.82 | - | - | 157.82 |
| | -- | -- | 212.65 | - | - | 212.65 |
| Segmental operating income | (206.29) | 670.09 | 2,468.63 | - | - | 2,932.43 |
| | (20.84) | 314.36 | 1,083.52 | - | - | 1,377.25 |
| Unallocable expenses | | | | | 3941.26 | 3941.26 |
| | | | | | 673.51 | 673.51 |
| Operating income | | | | | | (1008.82) |
| | | | | | | 703.74 |
| Other income/(expenses), net | | | | | 2,475.77 | 2,475.77 |
| | | | | | 264.90 | 264.90 |
| Net profit before Interest | | | | | | 1,466.95 |
| | | | | | | 968.64 |
| (Less): Interest Expenses | | | | | 636.20 | 636.20 |
| | | | | | 1,104.52 | 1,104.52 |
| Add: Interest Income | | | | | 40.16 | 40.16 |
| | | | | | 53.57 | 53.57 |
| Net profit before taxes | | | | | | 865.56 |
| | | | | | | (82.31) |
| Income Taxes | | | | | | 518.98 |
| | | | | | | (47.84) |
| Net Profit after taxes | | | | | | 342.93 |
| | | | | | | (126.11) |
| Other Information | | | | | | |
| Segment Assets | 54.03 | 1,275.77 | 13,222.15 | | 5,256.66 | 19,808.61 |
| | 592.67 | 1,338.04 | 19,919.43 | | 5,290.63 | 27,139.77 |
| Segment Liabilities | 329.78 | 1,138.31 | 3,414.29 | | 14,926.22 | 19,808.60 |
| | 822.69 | 989.05 | 6,681.30 | | 18,647.72 | 27,140.76 |
| Capital Expenditure | -- | -- | 0.69 | | -- | 0.69 |
| | -- | -- | -- | | -- | -- |
| Depreciation | -- | -- | 1.17 | | 22.32 | 23.49 |
| | -- | -- | 1.91 | | 45.95 | 47.86 |

30. Related Party disclosure

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

A) Name of Related Parties, relationship

| Party Name | Relation | Transactions Entered During the Period YES/NO |
|------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Mr. T. Gopichand | Key Management Personnel (Chairman & Managing Director), Spouse of Mrs. T. Pavana Devi & Brother of T.Bapaiah Chowdary. | YES |
| Mrs. T. Pavana Devi | Director & Spouse of Mr.T. Gopichand. | YES |
| Mr.T..Bapaiah Chowdary | Director & Brother to the Chairman & Managing Director (Mr.T.Gopichand) | YES |
| Mr.T.Madhu Mitra | Son of Chairman & Managing Director | YES |
| Mr.T.Girish | Son of T.Bapaiah Chowdary | YES |
| Mrs. T. Vindhya | Daughter-In-law of Sri.T.Gopichand (Chairman & Managing Director) & Smt T. Pavana Devi, Director | YES |
| Mr.OduruBabu Reddy | Chief Financial Officer | YES |
| Mr. Ch Mallikarjuna | Company Secretary | YES |

Transactions with Related parties:

| Name of the related party | Mr. T. Gopichand | Mrs.T. Pavana Devi | Mr. T. Bapaiah Chowdary | Mr.T.Madhu Mitra Mrs.T.Vindhya &Mr. T.Girish |
|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Description of the nature of transactions volume of the transactions either as an amount or as appropriate proportion | a) Remuneration b) Unsecured loan Received C) Interest on unsecured loan A) Managerial Remuneration of Rs. 84.00 lakhs (84.00 Lakhs) B) Unsecured Loan Received of Rs. 0.00 Lakhs (Rs. 128.50 lakhs) C) Interest on unsecured loan of Rs. 40.32 Lakhs (Rs. 34.50) lakh d) Loan repaid of Rs. 0.00 Lakhs (Rs. 87.00 Lakhs) | a) Sitting Fees b) Unsecured Loan Received c) Interest on Unsecured Loans a) Sitting Fee Paid Rs.0.69 lakhs. (Rs.0.79 lakh) b) Unsecured Loan Received of Rs. 0.00 Lakhs (111.10) c) Interest on Unsecured Loans Rs. 14.02 Lakhs (11.77) | a) Sitting Fee b) Supply of Goods a) Sitting Fee Paid Rs.0.82 lakhs. (Rs.1.19 lakhs) b) Total transaction value is Rs. NIL Lakhs (Rs. NIL Lakhs) | Salary Salary of Rs. 13.49 lakh, Rs.11.44 lakhs and Rs. 8.54 respectively (Rs.11.20, Rs.10.38 and Rs.7.08 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. 220.84 lakhs (Rs. 303.87 lakhs) b)Unsecured Loan including interest Rs. 358.95 lakhs (Rs. 322.66 lakhs) | a)Unsecured Loan including interest Rs. 124.79 lakhs (Rs. 112.17 lakhs) | Purchase of Goods Rs. 21.29 lakhs (Rs. 21.29 lakhs) NIL | Salary Payable of Rs. 1.08 lakhs, Rs. 0.77 lakhs and Rs. 0.75 lakhs respectively. (Rs. 0.84, Rs 0.61 and 0.57 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 |

| | | |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| Name of the related party | Mr. Oduru Babu Reddy, C.F.O. | Mr. Ch. Mallikarjuna, C.S. |
| Description of the nature of transactions | Salary | Salary |
| Volume of the transactions either as an amount or as appropriate proportion | Salary of Rs. 18.08lakhs (Rs. 15.01 lakhs) | Salary of Rs. 8.00 lakhs (Rs. 4.63 lakhs) |
| The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date | Salary Payable of Rs. 1.40 lakhs (Rs. 1.37 lakhs) | Salary Payable of Rs. 0.71 lakhs (Rs. 0.69 lakhs) |

31. Financial instruments:

Disclosure pursuant to IndAS 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 March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| A. Equity | 10,601.16 | 10,738.82 |
| B. Net debt | | |
| Short-term borrowings and current portion of long-term debt | 1,931.51 | 5,618.87 |
| Add: Long-term debt | 483.74 | 435.30 |
| Less: Cash and cash equivalents | 1,020.86 | 19.21 |
| B. Total Net Debt | 1,394.39 | 6,034.96 |
| Total capital (A+B) | 11,995.55 | 16,773.78 |

- 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, 2023, and March 31, 2022

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

Rs.In Lakhs

| Currency | Liabilities | | Advances | |
|----------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| USD | 4.01 (INR 329.77) | 10.7825 (INR 817.39) | 1.73 (INR 142.158) | 1.73 (INR 131.079) |

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

Rs.In Lakhs

| Particulars | Foreign Currency Sensitivity | |
|-------------------------------|------------------------------|--------------------------|
| | As at March 31, 2023 INR | As at March 31, 2022 INR |
| 2% Depreciation in INR | | |
| Impact on P&L | (9.44) | (18.97) |
| Total | (9.44) | (18.97) |
| 2% Appreciation in INR | | |
| Impact on P&L | 9.44 | 18.97 |
| Total | 9.44 | 18.97 |

Credit risk management

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

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

Liquidity risk management

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

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

(i) Category wise classification of applicable Financial Instruments:

(Rs in Lakhs)

| Sl. No. | Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---------|----------------------------------------------------------------------------------|----------------------|----------------------|
| | Measured at Amortised cost | | |
| (i) | Financial Assets | | |
| | a. Trade receivables | 12,880.19 | 18,349.68 |
| | b. Cash & Cash Equivalents and bank balances (Includes Margin Money Deposits) | 1,600.81 | 1,004.11 |
| | c. Other financial assets | 659.26 | 1,770.45 |
| | Total | 15,140.26 | 21,124.24 |
| (ii) | Financial Liabilities | | |
| | Measured at Amortised cost | | |
| | a. Borrowings | 1,931.51 | 5,618.87 |
| | b. Trade payables | 4587.06 | 8,120.41 |
| | c. Other financial liabilities | 821.00 | 1,203.32 |
| | Total | 7,339.57 | 14,942.60 |

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

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

Financial liabilities measured at amortised cost:

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

(iii) Maturity profile of financial liabilities

(Rs in Lakhs)

| Particulars | As at March 31,2023 | | | As at March 31,2022 | | |
|-----------------------------|----------------------|---------------------|----------|----------------------|---------------------|----------|
| | Within Twelve Months | After Twelve Months | Total | Within Twelve Months | After Twelve Months | Total |
| Borrowings | 1,931.51 | - | 1,931.51 | 5,618.87 | - | 5,618.87 |
| Trade payables | 4,587.06 | - | 4,587.06 | 8,120.41 | - | 8,120.41 |
| Other financial liabilities | 821.00 | 483.74 | 1,304.74 | 1,203.32 | 435.30 | 1,638.62 |

33 Deferred Tax

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

The deferred tax Asset as at March 31, 2023 and March 31, 2022 comprise of the following:

(Rs in Lakhs)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|-------------|---------------------------------------------|----------------------|----------------------|
| A | Deferred Tax Liability / Asset | | |
| 1 | Related to fixed assets | 91.27 | 24.69 |
| B | Deferred Tax Assets | | |
| 1 | Disallowance under the Income tax Act,1961 | 192.84 | 310.27 |
| C | Deferred tax (Liability)/Asset (net) | 284.11 | 334.96 |

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

(Rs in Lakhs)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| a) | Principal amount remaining unpaid | 145.22 | 271.31 |
| b) | Delayed payments due as at the end of each accounting year on account of Principal | 145.22 | 271.31 |
| c) | 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. | -- | -- |

| | | | |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------|
| d) | 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. | 119.49 | 77.87 |
| e) | Interest accrued and remaining unpaid as at March 31 | 119.49 | 77.87 |
| f) | 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. | 119.49 | 77.87 |

35. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spent at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are education of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment suitability, disaster relief, Covid-19 relief and rural development projects, A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in schedule VII of the Companies Act, 2013

Rs. in Lakhs

| Particulars | FY 2022-23 | FY 2021-22 |
|---------------------------------------------------|------------|------------|
| Gross Amount required to be spent during the year | 7.12 | 11.65 |
| Earlier Years | 7.55 | 40.38 |
| Amount spent during the year in Cash | | |
| i) On Construction / acquisition of any asset | Nil | Nil |
| ii) On purposes other than (i) above | 14.77 | 44.48 |
| Unspent Amount ** | 0.37 | 7.55 |

** Unspent amount of Rs 37,376/- has been transferred to a separate bank account as per the Companies Act

The Corporate Social Responsibility (CSR) Policy and CSR Committee formed pursuant to section 135 of Companies Act, 2013 and Rules made there under. The CSR Committee details are mentioned in the Corporate Governance Report. A budget of Rs. 7,12,376/- (Rupees Seven Lakhs Twelve thousand three hundred and Seventy-six only) approved for the Financial Year 2021-22.

(i) The approved CSR activity for the budget of FY 2021-22 is installation of Gas based “Incinerator System for Human Body Cremation” under the project of Moderation/Renovation of Funeral Cremation Ground at Panduranga Pet, Tenali, Guntur District, Andhra Pradesh, India.

The total CSR Budget allocated is Rs.14,77,137/- (FY 2020-21 & 2021-22) for the above said project. The total Price of installation of the above said system is Rs.13,50,000/- (Rs.15,93,000/- including GST@18%) excluding GST and administrative expenses.

Tera Software Limited is agreed to pay 90% of the total cost (i.e. Rs.14,33,700/-) of the Equipment and remaining 10% shall be payable by the “Mahaprasthana Seva Samithi”, who are the maintainers of Funeral Ground at Tenali.

Advance given to Supplier “Global Enviro Care” of Rs.6,75,000/- on 13-03-2023 and the project is under process. The balance of Rs.37,376/- transferred to CSR unspent account on 21-04-2023.

36. Earnings Per Share

Rs. in Lakhs

| Particulars | FY 2022-23 | FY 2021-22 |
|-------------------------------------------------------------------|------------|------------|
| Net Profit After Tax (Rs in lakhs) | 342.93 | (126.11) |
| 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.) | 2.77 | (1.04) |

37. Disclosures of share holding of Promoters and promoters group

| Shares held by Promoters at the end of the year 31 March 2023 | | | | | As at 31 March 2022 | |
|---------------------------------------------------------------|-----------------------------------------|------------------------------|-------------------|--------------------------|------------------------------|------------------------------------------|
| S. No. | Name of the Promoter and Promoter Group | No of shares held (in lakhs) | % of total shares | % change during the year | No of shares held (in lakhs) | % out of number of shares of the company |
| 1 | Tummala Gopichand | 11.97 | 9.56% | 0.00% | 11.97 | 9.56% |
| 2 | Tummala Pavana Devi | 5.75 | 4.59% | 0.00% | 5.75 | 4.59% |
| 3 | Tummala Madhu Mitra | 8.41 | 6.72% | 0.00% | 8.41 | 6.72% |
| 4 | Tummala Rajasekhar | 28.25 | 22.58% | 0.00% | 28.25 | 22.58% |
| 5 | Tummala Bapaiah Chawdary | 0.93 | 0.74% | 0.00% | 0.93 | 0.74% |
| 6 | Tummala Tulsi Rani | 0.55 | 0.44% | 0.00% | 0.55 | 0.44% |
| 7 | N. Sri Durga | 2.27 | 1.81% | 0.00% | 2.27 | 1.81% |
| 8 | Tummala Seetaramamma | 1.37 | 1.09% | 0.00% | 1.37 | 1.09% |

38. Ratios for the years ended March 31,2023 and 31st Match 2022 are as follows:

| | Particulars | Numerator | Denominator | 31.03.2023 | 31.03.2022 | Variance |
|----|----------------------------------|-------------------|---------------------|------------|------------|----------|
| a) | Current Ratio | Current assets | Current liabilities | 1.93 | 1.45 | 46.00% |
| b) | Debt-Equity ratio | Total liabilities | Shareholders equity | 0.83 | 1.55 | -71.00% |
| c) | Debt service coverage ratio | Operating Income | Interest expenses | 2.66 | 0.90 | 149.00% |
| d) | Return on equity ratio | Net Income | Equity | 0.03 | (0.01) | 2.00% |
| e) | Inventory turnover ratio | Inventory | Turnover | 0 | 0.02 | -2.00% |
| f) | Trade receivable turnover ratio | receivables | Turnover | 0.86 | 1.47 | -61.00% |
| g) | Trade payable turnover ratio | Payables | Turnover | 0.29 | 0.62 | -33.00% |
| h) | net capital turnover ratio | Net assets | Turnover | 0.78 | 0.91 | -15.00% |
| i) | net profit ratio | net profit | Turnover | 0.02 | (0.01) | 2.00% |
| j) | Return on capital employed ratio | net profit | Turnover | 0.03 | (0.01) | 2.00% |
| k) | Return on Investment | net income | Turnover | 0.02 | - | 1.00% |

39. Trade Receivables

| S.# | Particulars | TOTAL | < 6 M | 6 M - 1 Y | 1 - 2 y | 2 - 3 y | > 3 Y |
|-----|-----------------------------------------------------------------------------|----------------------|---------------------|--------------------|----------|---------------------|---------------------|
| | UNDISPUTED TRADE RECEIVABLES CONSIDERED GOOD | | | | | | |
| 1 | APSFL - AMC - PT | 5,06,20,398 | - | - | - | 84,36,734 | 4,21,83,664 |
| 2 | APSFL - Mis - Works | 64,67,085 | - | - | - | - | 64,67,085 |
| 3 | Davanagere Smart City Limited | 4,94,46,421 | 2,83,02,508 | 2,11,43,913 | - | - | - |
| 4 | DVVNL UPPCL | 8,90,13,356 | 8,90,13,356 | - | - | - | - |
| 5 | GST Suvidha | 5,98,191 | 5,98,191 | - | - | - | - |
| 6 | Jharkand Project (JAPIT) | 14,95,71,324 | 14,95,71,324 | - | - | - | - |
| 8 | Maharashtra IT Corporation Ltd. | 7,79,025 | 5,67,946 | - | - | - | - |
| 9 | Odisha Power Transmission Corporation Ltd.,(OPTCL) | 76,67,516 | 76,67,516 | - | - | - | - |
| 10 | PVVNL UPPCL | 5,81,86,996 | 5,81,86,996 | - | - | - | - |
| 11 | WBSEDCL Order Oct 20 to Sep 23 | 7,92,99,269 | 4,92,11,841 | 3,00,87,428 | - | - | - |
| | Sub-total | 49,16,49,581 | 38,31,19,678 | 5,14,42,420 | - | 84,36,734 | 4,86,50,749 |
| | UNDISPUTED TRADE RECEIVABLES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK | - | - | - | - | - | - |
| | Sub-total | - | - | - | - | - | - |
| | UNDISPUTED TRADE RECEIVABLES CREDIT IMPAIRED | - | - | - | - | - | - |
| | Sub-total | - | - | - | - | - | - |
| | DISPUTED TRADE RECEIVABLES CONSIDERED GOOD | | | | | | |
| 1 | APSFL - BBNL | 41,77,40,586 | - | - | - | 15,70,22,708 | 26,07,17,878 |
| 2 | APSFL - O & M Service | 42,99,99,259 | - | - | - | 12,22,44,884 | 30,77,54,375 |
| | Sub-total | 84,77,39,845 | - | - | - | 27,92,67,592 | 56,84,72,253 |
| | DISPUTED TRADE RECEIVABLES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK | - | - | - | - | - | - |
| | DISPUTED TRADE RECEIVABLES CREDIT IMPAIRED | - | - | - | - | - | - |
| | Sub-total | - | - | - | - | - | - |
| | Grand Total | 134,32,03,926 | 38,31,19,678 | 5,14,42,420 | - | 29,15,18,826 | 61,71,23,002 |

40. Unbilled dues from the clients:

| S.# | Particulars | TOTAL | < 6 M | 6 M - 1 Y | 1 - 2 y | 2 - 3 y | > 3 Y |
|-----|----------------------------------|--------------------|--------------------|-----------|---------|---------|-------|
| 1 | Unbilled Receivable Odisha O&M | 2,46,64,840 | 2,46,64,840 | - | - | - | - |
| 2 | Unbilled Receivable R JIO Retail | 3,86,25,873 | 3,86,25,873 | - | - | - | - |
| | Total | 6,32,90,713 | 6,32,90,713 | - | - | - | - |

41. Trade Payables

| S.No. | Particulars | TOTAL | < 1 Y | 1 - 2 y | 2 - 3 y | > 3 Y |
|-------|----------------------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| | (i) MSME | | | | | |
| 1 | Luminex Technosys Private Ltd | 1,45,22,043 | 1,45,22,043 | - | - | - |
| | | 1,45,22,043 | 1,45,22,043 | - | - | - |
| | (ii) OTHERS | | | | | |
| 1 | Aabmatica Technologies Pvt. Ltd., | 28,417 | 28,417 | - | - | - |
| 2 | Accord Power Conversion Pvt. Ltd., | 3,682 | 3,682 | - | - | - |
| 3 | Altice Labs,S.A. | 3,29,77,576 | 75,18,546 | 26,90,239 | 6,38,542 | 2,21,30,249 |
| 4 | Amillion Technologies Pvt. Ltd., | 14,80,00,660 | 14,80,00,660 | - | - | - |
| 5 | A.Narahari | 30,000 | 30,000 | - | - | - |
| 6 | Buddi Ashok | 35,100 | 35,100 | - | - | - |
| 7 | BVMIT Consulting Services India Pvt. Ltd-Sub Cont. | 9,56,200 | 9,56,200 | - | - | - |
| 8 | Foregee Infotech - Setu Nashik | 11,30,901 | 11,30,901 | - | - | - |
| 9 | Hiliks Technologies Limited | 50,89,278 | 50,89,278 | - | - | - |
| 10 | N.Raja Sekhar | 98,820 | 98,820 | - | - | - |
| 11 | Obel Systems Pvt. Ltd., | 1,50,000 | - | - | - | 1,50,000 |
| 12 | OTS Advertising Pvt. Ltd. | 23,300 | 23,300 | - | - | - |
| 13 | Pragathi Travels | 19,733 | 19,733 | - | - | - |
| 14 | Prakash Electricals | 10,09,916 | 10,09,916 | - | - | - |
| 15 | Praptham Tech Solutions Pvt. Ltd. | 33,46,120 | 33,46,120 | - | - | - |
| 16 | Raja Enterprises | 21,28,757 | - | - | - | 21,28,757 |
| 17 | R.Chandra Kumar-Bangalore Office | 73,900 | 73,900 | - | - | - |
| 18 | Schindler India Pvt Ltd | 3,918 | 3,918 | - | - | - |
| 19 | S.K.Chandra Sekhar | 8,500 | 8,500 | - | - | - |
| 20 | TVS Supply Chain Solutions Ltd., | 12,96,45,878 | 1,30,01,557 | 7,25,86,241 | 4,40,58,080 | - |
| 21 | Universal Refrigeration | 5,074 | 5,074 | - | - | - |
| 22 | Vaibhu Infra Tech India Pvt. Ltd. - UPPCL | 10,21,99,206 | 10,21,99,206 | - | - | - |
| 23 | Vallabhaneni Constructions Pvt. Ltd. (Cr) | 75,68,645 | 75,68,645 | - | - | - |
| 24 | Veerabhadra Rao Anusuri | 6,736 | 6,736 | - | - | - |
| 25 | Vengalla Bajirani | 25,000 | 25,000 | - | - | - |
| 26 | Videonetics Technology Pvt. Ltd., | 87,000 | 87,000 | - | - | - |
| 27 | Vizion Computers | 36,604 | 36,604 | - | - | - |
| 28 | Your Services | 43,888 | - | 43,888 | - | - |
| | TOTAL | 44,92,54,851 | 30,48,28,856 | 7,53,20,368 | 4,46,96,622 | 2,44,09,006 |

42. CAPITAL WORK IN PROGRESS:

There is no capital work in progress for the period under consideration.

43. DETAILS OF BENAMI PROPERTY HELD

There were neither any proceedings initiated nor pending against the Company during the period.

44. WILLFUL DEFAULTER:

The company has not been declared as willful defaulter by any Bank or any financial institution during the period.

45. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC):

There were neither any pending registration of charges or satisfaction with registrar of companies.

46. Figures for the corresponding year ended March 31, 2023, wherever necessary, have been regrouped, recast, rearranged as per the Schedule III of Companies Act, 2013.

As per our report of even date attached

For Narven Associates

Chartered Accountants

FRN: 0005905S

CA. G V Ramana
Partner
M. No: 025995

T.Pavana Devi
Director
DIN: 00107698

T.Gopichand
Chairman & Managing Director
DIN: 00107886

Place: Hyderabad
Date: 27th May, 2023

Oduru Babu Reddy
Chief Financial Officer

Mallikarjuna Ch
Company Secretary

Intentionally Kept Blank

TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

Registered Office: # 8-2-293/82/A/1107, Plot No. 1107, Road No.55, Jubilee Hills,
Hyderabad-500033, Telangana, India -Mobile: +91-9949604854

Website: www.terasoftware.com, Email: companysecretary@terasoftware.in

Form No. MGT-11**Proxy form**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

| | |
|---------------------|------------|
| Regd. Folio No.: | DP ID: |
| No. of Shares held: | Client ID: |

I/We, _____ being the member (s) of Tera Software Limited holding _____ equity shares of the above named company, hereby appoint

| | | |
|---|------------|--|
| 1 | Name: | |
| | Address: | |
| | E-mail Id: | |
| | Signature: | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Thursday, the 17th day of August, 2023 at 11:00 a.m. at Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad-500033, Telangana, India and at any adjournment thereof in respect of such resolutions indicated below:

| Resolution No. | Particulars |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary Business | Ordinary Resolutions |
| 1. | To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, the report of the Auditors' thereon and the report of the Board of Directors. |
| 2. | To resolve not to fill the casual vacancy caused by retirement of Mrs. Tummala Pavana Devi (DIN: 00107698) who retires by rotation at the conclusion of this Annual General Meeting. |
| Special Business | Special Resolution |
| 3 | To appoint Mr. Tummala Madhu Mitra (DIN: 07124242), as a Director(Marketing) of the Company and fix his remuneration. |
| 4 | To increase the remuneration of Mr. Tummala Gopichand (DIN:00107886), Chairman and Managing Director of the Company. |

Signed this.....day of2023

Signature of shareholder: _____

Signature of Proxy holder(s): _____

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Note: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2) The Proxy need not be a member of the Company.

TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

Registered Office: # 8-2-293/82/A/1107, Plot No. 1107, Road No.55, Jubilee Hills,
Hyderabad-500033, Telangana, India -Mobile: +91-9949604854

Website: www.terasoftware.com, Email: companysecretary@terasoftware.in

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

29th Annual General Meeting on 17th August, 2023

Full name of the members attending: _____

| | |
|---------------------|------------|
| Regd. Folio No.: | DP ID: |
| No. of Shares held: | Client ID: |

I hereby record my presence at the 29th Annual General Meeting of the Tera Software Limited held on Thursday, 17th August, 2023 at 11:00 a.m. at Jubilee Hills International Centre, Road No. 14, Jubilee Hills, Hyderabad-500 033, Telangana, India

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- 5) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 6) In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 29th Annual General Meeting is given below:

TERA SOFTWARE LIMITED

CIN: L72200TG1994PLC018391

Registered Office: # 8-2-293/82/A/1107, Plot No. 1107, Road No.55, Jubilee Hills,
Hyderabad-500033, Telangana, India -Mobile: +91-9949604854

Website: www.terasoftware.com, Email: companysecretary@terasoftware.in

Form No.MGT-12**POLLING PAPER**(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)I of the Companies
(Management and Administration Rules, 2014)

| | | | |
|------------------------------|------------------------------------------------------------------------------------------------------|-------|--|
| CIN | L72200TG1994PLC018391 | | |
| Name of the Company | Tera Software Limited | | |
| Registered Office | # 8-2-293/82/A/1107, Plot No. 1107, Road No.55, Jubilee Hills, Hyderabad-500033, Telangana, India | | |
| Name of the member(s) | | | |
| Registered Address | | | |
| E-mail Id | | | |
| Folio No./Client ID | | DP ID | |
| Number of Equity shares held | | | |

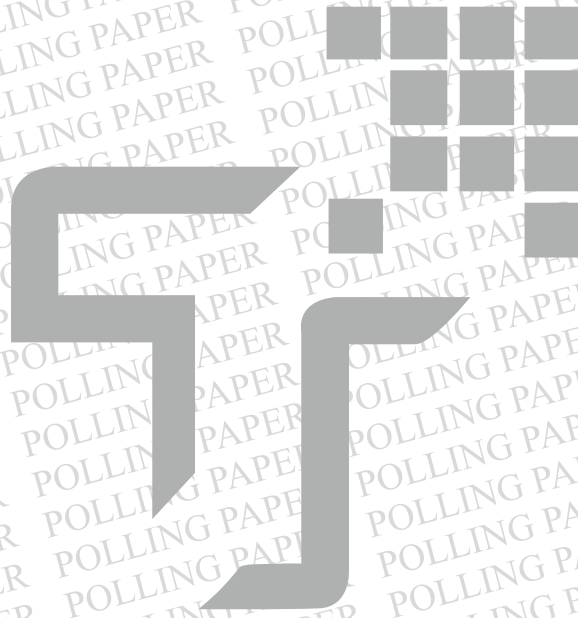
In respect of 29th Annual General Meeting of the Company held on 17th August, 2023 at 11:00 a.m., I hereby exercise my vote in respect of Ordinary/ Special Resolutions enumerated below by recording my assent or dissent to the said Resolutions in the following manner:

| Sl. No. | Resolution (s) | Vote | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------|
| | | For | Against |
| Ordinary Business | Ordinary Resolutions | | |
| 1 | To receive, consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023, the report of the Auditors' thereon and the report of the Board of Directors. | | |
| 2 | To resolve not to fill the casual vacancy caused by retirement of Mrs. Tummala Pavana Devi (DIN: 00107698) who retires by rotation at the conclusion of this Annual General Meeting. | | |
| Special Business | Special Resolution | | |
| 3 | To appoint Mr. Tummala Madhu Mitra (DIN: 07124242), as a Director (Marketing) of the Company and fix his remuneration. | | |
| 4 | To increase the remuneration of Mr. Tummala Gopichand (DIN:00107886), Chairman and Managing Director of the Company. | | |

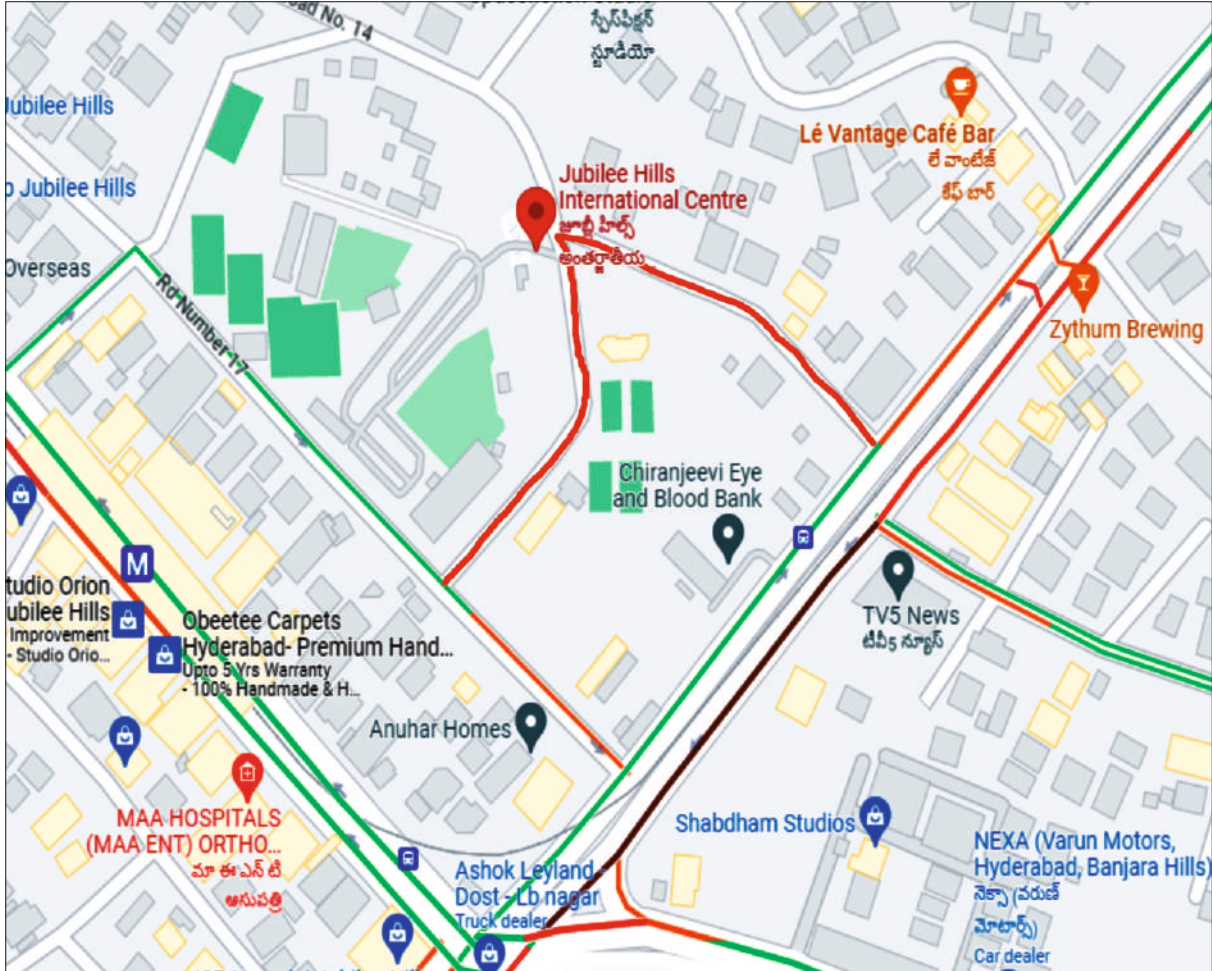
Place: Hyderabad

Date:

(Signature of the Shareholder / Proxy)



29th AGM Venue Route Map



Road No. 14, Near Post Office, Jawahar Colony,
Jubilee Hills, Hyderabad, Telangana 500033
Ph : 040-23557888



TERA SOFT
Redefining IT Solutions

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.com