



# TERA SOFTWARE LIMITED



TERA SOFT  
*Redefining IT Solutions*

## ANNUAL REPORT 2023-2024



# BOARD OF DIRECTORS



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



**Sri. T. Madhu Mitra**  
Whole-Time Director



Padma Shri  
**Dr. T. Hanuman Chowdary**  
Independent Director



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



**Sri. Divakar Atluri**  
Independent Director



**Prof. Dr. Braja Bandhu Nayak**  
Independent Director



**Smt. V. Usha Rani**  
Independent Director



**Sri. T. Bapaiah Chowdary**  
Non-Executive Director

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#### ❖ **DVVNL Spot Billing System Project**

TSL had bagged Spot Billing System Project (worth Rs. 166.32 Cr.) 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).

#### ❖ **E-Mahabhoomi Project**

TSL had bagged e-Mahabhoomi Project (worth Rs. 46.70 Cr.) from BEL for “Scanning & Digitization of Cadastral Maps in 19 districts of Maharashtra” for Land Records Dept.,

#### ❖ **Modern Record Rooms Project**

TSL successfully implemented “Preparation of Modern Record Rooms Project’ (worth Rs. 77.97 Cr.) 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.

#### **Mission:**

TSL mission is to provide innovative IT enabled solutions that empower businesses to achieve their goals with maximum efficiency and effectiveness. We are committed to delivering high-quality products and services that enable our clients to stay ahead of the competition and succeed in the digital age.

#### **We strive to achieve this mission by:**

- ❖ Collaborating closely with our clients to understand their unique needs and challenges.
- ❖ Leveraging the latest technologies and best practices to develop innovative solutions.
- ❖ Continuously refining our processes and methodologies to ensure maximum efficiency and effectiveness.
- ❖ Attracting and retaining top talent who share our passion for excellence and customer satisfaction.

#### **Vision:**

TSL vision is to be a leading provider of IT-enabled solutions that transform the way businesses operate and grow. We envision a world where businesses can leverage technology to achieve unprecedented levels of success, and we are committed to make that vision a reality.

To achieve this vision, we are focused on:

- ❖ Building deep expertise in key industries and verticals, including fibergrid, smart cities, data digitization, healthcare, finance, retail, and many more.
- ❖ Developing cutting-edge products and services that solve real-world business problems.
- ❖ Growing our global footprint to reach new customers and markets.
- ❖ Creating a culture of innovation and collaboration that attracts and retains the best talent.

#### **Core Values:**

TSL committed to upholding our core values in all aspects of our business operations. Our core values define who we are as a company and guide our decisions and actions.

- ❖ **Customer Focus:** We are committed to understanding our customers’ needs and providing them with innovative solutions that exceed their expectations. Our customers’ success is our success.
- ❖ **Excellence:** We strive for excellence in everything we do. We believe in continuous improvement and always aim to deliver the highest quality products and services.
- ❖ **Integrity:** We conduct our business with the highest ethical standards. We are honest, transparent, and accountable for our actions.
- ❖ **Teamwork:** We believe in collaboration and teamwork. We value the diversity of our team members and encourage open communication, respect, and support for each other.
- ❖ **Innovation:** We foster a culture of innovation, where creativity and new ideas are encouraged. We continuously explore new technologies and methodologies to stay at the forefront of our industry.

Our core values guide us in building strong relationships with our customers, partners, and employees, and in achieving our mission and vision. We are committed to upholding these values in everything we do.

#### **Quality Philosophy**

TSL is committed to customer satisfaction, we provide clients with the highest quality products consistent with professional standards. In the E Governance solutions Tera Software, 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 LIMITED

CIN: L72200TG1994PLC018391

### BOARD AND COMMITTEES

#### BOARD OF DIRECTORS

**Sri. T. Gopichand**

Chairman & Managing Director  
(DIN: 00107886)  
DOA : 26-09-1994

**Sri. T. Madhu Mitra**

Whole-Time Director  
(DIN: 07124242)  
DOA : 17-08-2023

Padma Shri

**Dr. T. Hanuman Chowdary**

Independent Director (upto 30/09/2024)  
(DIN: 00107006)  
DOA : 17-12-2001

**Dr. T.V. Lakshmi**

Independent Director (upto 30/09/2024)  
(DIN: 00003020)  
DOA : 17-12-2001

**Sri. Divakar Atluri**

Independent Director  
(DIN: 00033386)  
DOA : 12-02-2021

**Prof. Dr. Braja Bandhu Nayak**

Independent Director  
(DIN: 09702361)  
DOA : 24-09-2022

**Smt. V. Usha Rani**

Independent Director  
(DIN: 03601565)  
DOA : 03-08-2024

**Sri. T. Bapaiah Chowdary**

Non-Executive Director  
(DIN: 00107795)  
DOA : 01-11-1999

#### Executive Officers (KMP)

**Kum. D. Pravallika**

Chief Financial Officer

**Sri. Ch. Mallikarjuna**

Company Secretary & Compliance Officer  
(M.No. A47545)

## BOARD COMMITTEES

### Audit Committee

- Sri. Divakar Atluri**, Chairman (Independent Director)
- Dr. T. Hanuman Chowdary** (Independent Director) (upto 30/09/2024)
- Prof. Dr. Braja Bandhu Nayak** (Independent Director)
- Sri. T. Bapaiah Chowdary** (Non-Executive Director)
- Smt. V. Usha Rani** (Independent Director) (from 01/10/2024)

### Nomination & Remuneration Committee

- Dr. T. Hanuman Chowdary**, Chairman (Independent Director) (upto 30/09/2024)
- Dr. T.V. Lakshmi** (Independent Director) (upto 30/09/2024)
- Sri. T. Bapaiah Chowdary** (Non-Executive Director)
- Prof. Dr. Braja Bandhu Nayak** (Independent Director from 01/10/2024)
- Smt. V. Usha Rani** (Independent Director) (Chairman from 01/10/2024)

### Stakeholders Relationship Committee

- Sri. T. Bapaiah Chowdary**, Chairman (Non-Executive Director)
- Dr. T.V. Lakshmi** (Independent Director) (upto 30/09/2024)
- Prof. Dr. Braja Bandhu Nayak** (Independent Director) (from 14/11/2023)
- Sri. Divakar Atluri** (Independent Director) (from 01/10/2024)
- Smt. T. Pavana Devi** ((Non-Executive Director) (upto 17/08/2023)

### Corporate Social Responsibility Committee

- Dr. T. Hanuman Chowdary**, Chairman (Independent Director) (upto 30/09/2024)
- Sri. Divakar Atluri** (Independent Director)
- Sri. T. Gopichand** (Managing Director)
- Prof. Dr. Braja Bandhu Nayak** (Independent Director) (from 01/10/2024 - Chairman)
- Smt. T. Pavana Devi** ((Non-Executive Director) (upto 17/08/2023)

### Borrowing Committee

- Sri. T. Gopichand**, Chairman (Managing Director)
- Prof. Dr. Braja Bandhu Nayak** (Independent Director)
- Sri. T. Madhu Mitra** (Whole-Time Director) (from 14/11/2023)
- Smt. T. Pavana Devi** ((Non-Executive Director) (upto 17/08/2023)

### 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**  
(CFO) (upto 30/06/2023)

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

#### Statutory Auditors

M/s. Narven Associates  
Hyderabad

#### Secretarial Auditors

M/s. C.V. Reddy K. & Associates  
Hyderabad

#### Bankers

##### Bank of Maharashtra

Sultan Bazaar, Hyderabad

##### Canara Bank

Large Corporate Branch  
Secunderabad

#### 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](mailto: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>





## NOTICE

Notice is hereby given that the Thirtieth (30th) Annual General Meeting (AGM) of the members of Tera Software Limited (“the Company”) will be held on Monday, the 9th September, 2024 at 4.00 pm at Registered Office : # 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Telangana, India to transact the following businesses:

### ORDINARY BUSINESS:

**1. To consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2024 and the Reports of the Auditors and Directors thereon.**

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

“RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 March, 2024 and the Reports of the Auditors and Board of Directors thereon, as circulated to the Members, be and are hereby considered and adopted.”

**2. To appoint a Director in place of Sri. Tummala Bapaiah Chowdary (DIN: 00107795), who retires by rotation and being eligible offers himself for re-appointment.**

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

“RESOLVED THAT pursuant to Section 152 and all the other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Sri. Tummala Bapaiah Chowdary (DIN: 00107795), Non-Executive Director, who retires by rotation at this Annual General Meeting, and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS:

**3. To appoint Smt. Vemuri Usha Rani (DIN: 03601565) as an Independent Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT Smt. Vemuri Usha Rani (DIN: 03601565) who was appointed as an Additional Director (Non-Executive, Independent) of the Company effective 3 August, 2024, by the Board of Directors (“the Board”) of the Company as recommended by the Nomination and Remuneration Committee, in terms of Section 161 of the Companies Act, 2013 (“Act”) read with related Rules (including any modification, amendment or re-enactment thereof), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (the ‘Rules’), Regulation 16 and 17 and 25 (2A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) made thereof for the time being in force), the Articles of Association of the Company and upon recommendation and approval of the Nomination and Remuneration Committee and Board of Directors of the Company, Smt. Vemuri Usha Rani (DIN: 03601565) who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five (5) consecutive years with effect from 3 August, 2024 to 2 August, 2029;

RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution and matters incidental thereto.”

By Order of the Board of Directors

Place: Hyderabad  
Date: 3rd August, 2024

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. IN THIS NOTICE, THE TERMS MEMBER(S) OR SHAREHOLDER(S) ARE USED INTERCHANGEABLY.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. Explanatory statement pursuant to section 102 of the Companies Act, 2013 ('the Act') forms part of this Notice.
4. Brief details of the directors, who are seeking appointment and re-appointment are annexed hereto as per the applicable provisions of regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015'), the Act and the Secretarial Standard on General Meetings ('SS-2').
5. To receive communication(s) through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with the registrar and share transfer agent of the Company, i.e., KFin Technologies Ltd. ('KFin' or 'RTA'), for members holding shares in physical mode and with their respective DPs, for members holding shares in demat mode.
6. SEBI has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold share certificates in physical form are advised to dematerialise their holdings.

**IEPF RELATED INFORMATION:**

7. In terms of section 124(5) of the Act, dividend amounts unclaimed for a period of seven years shall become due for transfer to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. 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/> along with requisite fee.

**INSPECTION OF DOCUMENTS:**

8. The Company has been maintaining, inter alia, the following statutory registers at its registered office of the Company, which are open for inspection by the members in terms of the applicable provisions of the Act, from Monday to Friday from 11:00 a.m. to 1:00 p.m., except holidays:
  - i. Register of contracts or arrangements in which directors are interested under section 189 of the Act. The said Register shall also be produced at the commencement of the AGM of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
  - ii. Register of directors and key managerial personnel and their shareholding under section 170 of the Act. The said Register shall be kept open for inspection at the AGM of the Company and shall be made accessible to any person attending the AGM.
  - iii. Relevant documents referred to in this Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company up to the date of the AGM.

**GENERAL INSTRUCTIONS FOR MEMBERS/PROXIES:**

9. In terms of section 101 and 136 of the Act read together with the rules made thereunder and relevant provisions of the Listing Regulations, 2015, the listed companies may send the notice of annual general meeting and the annual report, including financial statements, board's report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their e-mail addresses with their respective DPs or with the RTA of the Company and for members who have not registered their e-mail addresses, physical copies are being sent in the permitted mode. Members may note that Annual Report for FY 2023-24 and the Notice along with proxy form and attendance slip will also be available on the Company's website at <https://www.terasoftware.com/investors/>, website of the Stock Exchanges, i.e., BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. at [www.nseindia.com](http://www.nseindia.com) and on the website of KFin at [www.kfintech.com](http://www.kfintech.com).

10. Institutional/corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body's resolution/authorisation, etc., authorising its representative to attend and vote at the AGM on its behalf or through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail through its registered e-mail address to "creddykassociates@gmail.com" or to "companysecretary@terasoftware.in".
11. The Company has availed of services offered by NSDL and CDSL to update e-mail addresses of shareholders of the Company who have not registered their e-mail addresses. Members are requested to respond to their messages and register their e-mail id and support the green initiative efforts of the Company. Members are also requested to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail going forward.
12. Members attending the AGM in-person shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
13. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. Members/Proxies are requested to bring the attendance slip/proxy form duly filled and signed for attending the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
15. Route map for the directions to venue of the meeting is attached.
16. 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, i.e., Monday, 2nd September, 2024, such person may obtain the User ID and Password from KFin by e-mail request on einward.ris@kfintech.com.

**17. Instructions for e-voting and joining the AGM are as follows:**

**A. Voting through electronic means:**

- i. In terms of the provisions of section 108 of the Act read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, 2015 and in terms of SEBI circular dated 9 December 2020 in relation to e-voting facility provided by listed companies, the members are provided with the remote e-voting facility to exercise votes on the items of business given in this Notice, through the e-voting platform provided by KFin or to vote at the AGM.
- ii. The members, whose name appears in the Register of Members/list of Beneficial Owners as on Monday, 2nd September, 2024, (end of day), being the cut-off date fixed for determining voting rights of members are entitled to participate in the remote e-voting process. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- iii. Members can cast their vote online from Friday, 6th September 2024 (9:00 a.m.) till Sunday, 8th September 2024 (5:00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- iv. Alternatively, members holding securities in physical mode may reach out on toll free number 1800 309 4001 for obtaining User ID and password or may write e-mail from the registered e-mail id to einward.ris@kfintech.com.
- v. The details of the process and manner for remote e-voting are explained herein below:

**I) Login method for remote e-voting for individual shareholders holding securities in demat mode:**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on 'e-voting facility provided by listed companies', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby facilitating not only seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail id with their DPs in order to access e-voting facility.

**Login method for individual shareholders holding securities in demat mode is given below:**

Individual shareholders holding securities in demat mode with NSDL - Login method:

**A. Users registered for NSDL IDeAS facility:**

1. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section.
2. A new screen will open. Enter your User ID and Password. After successful authentication, you will

be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page.

3. Click on options available against Company name or e-voting service provider, i.e., KFin and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period.

**B. Users not registered for IDeAS e-Services:**

Option to register is available at <https://eservices.nsdl.com> Select 'Register Online for IDeAS' tab or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp> and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.

**C. By visiting the e-voting website of NSDL:**

1. Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the 'Login' icon, available under the 'Shareholder/Member' section.
2. A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.
3. Click on options available against Company name or e-voting service provider, i.e., KFin and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

**D. NSDL Speede:**

Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility from "App Store" and "Google Play Store" for seamless voting experience.

Individual shareholders holding securities in demat mode with CDSL - Login method:

**A. Existing users who have opted for Easi/Easiest:**

1. URL to login to Easi/Easiest: [www.cdslindia.com](http://www.cdslindia.com) and click on login icon and select New System Myeasi.
2. Shareholders can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication.
3. After successful login on Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of ESPs. Click on KFin to cast your vote.

**B. Users who have not opted for Easi/Easiest:**

Option to register for Easi/Easiest is available at [www.cdslindia.com](http://www.cdslindia.com) Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.

**C. By visiting the e-voting website of CDSL:**

1. The user can directly access e-voting page by providing demat account number and PAN number from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered mobile and e-mail id as recorded in the demat account.
2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-voting service provider, i.e., KFin.

**Individual shareholders (holding securities in demat mode) logging through their depository participants:**

1. Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option.
2. Once you click on e-voting option, you will be redirected to NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature.
3. Click on option available against Company name or e-voting service provider, i.e., Kfin and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

**Important Note:** Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for individual shareholders holding securities in demat mode who need assistance for any technical issues related to login through depository, i.e., NSDL and CDSL:

**Members facing any technical issue – NSDL:**

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000.

Members facing any technical issue – CDSL:

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact on 1800 22 55 33.

**II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials, i.e., User ID and Password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and Password for casting your votes.
- iv. After entering the correct details, click on LOGIN.  
  
You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A - Z), one lower case (a - z), one numeric value (0 - 9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT, i.e., Tera Software Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at "[cvreddykassociates@gmail.com](mailto:cvreddykassociates@gmail.com)" or to "[companysecretary@terasoftware.in](mailto:companysecretary@terasoftware.in)". and may also upload the same in the e-voting module in their login.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

**B. Voting facility at AGM:**

- i. In addition to the remote e-voting facility as described above, the Company shall make a voting facility available at the venue of the AGM, through Ballot voting system and members attending the meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the meeting.
- ii. However, members who have voted through remote e-voting will be eligible to attend the AGM but shall not be entitled to cast their vote again.

**C. General Instructions:**

- i. The Board of Directors has appointed Sri. C. V. Reddy K, M/s C. V. Reddy K & Associates, Practising Company Secretary (FCS No. 7976 CP No. 8998) as the Scrutinizer to the remote e-voting process and voting at the venue of the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company or his authorized person, who shall countersign the same.
- iii. The results shall be declared either by the Chairman or his authorised person along with the Scrutinizer's report and shall be placed on the Company's website <https://www.terasoftware.com/investors> and on the website of KFin <https://evoting.kfintech.com> and shall also be communicated to the Stock Exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

- 18.** The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, 3rd September, 2024 to Monday, 9th September, 2024 (both days inclusive).

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

**Item 03.**

**To appoint Smt. Vemuri Usha Rani (DIN: 03601565) as an Independent Director:**

The members may note that pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had on 3rd August, 2024, appointed Smt. Vemuri Usha Rani (DIN: 03601565) as an Additional Director in the capacity of Independent Director of the Company, for a term of 5 consecutive years with effect from 3rd August, 2024 to 2nd August, 2029, subject to approval of shareholders of the Company.

As per Regulation 17(1C) and 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to take approval of shareholders for appointment of a person on the Board of Directors at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.

Smt. Vemuri Usha Rani has also confirmed that she is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Smt. Vemuri Usha Rani has confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

The Company has received from Smt. Vemuri Usha Rani (i) consent in writing to act as a Director in Form DIR- 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR- 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI LODR.

In the opinion of the Board, Smt. Vemuri Usha Rani is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the SEBI LODR Regulations for her appointment as an Independent (Non-Executive) Director of the Company and is Independent of the Management. Smt. Vemuri Usha Rani would bring with her immense experience to the Company in the areas of Administrative Services, Banking Services, Customs, Legal, Planning, Strategy etc.

Brief resume of Smt. Vemuri Usha Rani pursuant to Regulation 36 of SEBI LODR and Secretarial Standards SS-2 on General Meeting is provided below:

Academic Qualifications: i) Master of Agricultural Science, ii) Bachelor of Law and iii) PG Diploma in Personnel Management and Industrial Relations.

She is a Retd. IAS Officer and worked as a Rural Development Officer in Syndicate Bank for 2 years, Customs Appraiser in Government of India for 4 years and in Indian Administrative Services (IAS) for 25 years and as a part of service, worked in very important positions like Collector, Mahabub Nagar (undivided) - Collector, Khammam (undivided) - Commissioner Agriculture, Commissioner Vijayawada Municipal Corporation, Additional Commissioner Hyderabad Municipal Corporation, Secretary, Horticulture, Director General, Manager (Government of India) and finally retired as Principal Secretary, Revenue, Government of Andhra Pradesh. Also practiced as Advocate in Andhra Pradesh High Court.

Smt. Vemuri Usha Rani holds Nil Equity Shares in the Company. She does not hold any shares in the Company on a beneficial basis for any other person. She has no relationship with other Directors and 'Key Managerial Personnel' of the Company.

**Details of remuneration sought to be paid:** Smt. Vemuri Usha Rani shall be entitled to receive sitting fees.

Directorship/ Membership/ Chairmanship of Committees of Other Boards including listed entities:

1. Tiya Craft Decor Private Limited – Director
2. Andhra Pradesh Airports Development Corporation Limited – Nominee Director (Resigned w.e.f.22/12/2021- not updated in MCA)

Number of Listed Entities from which Smt. Vemuri Usha Rani has resigned in past three years: Nil

Smt. Vemuri Usha Rani and any of other Directors, Manager or Key Managerial Personnel of the Company do not have any inter-se relationship.

Given her expertise, knowledge and experience, the Board considers that association of Smt. Vemuri Usha Rani would be of an immense benefit to the Company and it is desirable to avail her services as an Independent Director.

Accordingly, the Board considers the appointment of Smt. Vemuri Usha Rani as an Independent Director for a term of five (5) years from 3 August, 2024 to 2 August, 2029 in the best interest of the Company and recommends the resolution as set out in the accompanying Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of Company or their relatives, other than Smt. Vemuri Usha Rani are, in any manner, concerned or interested in the resolution as set out in item no. 3 in the accompanying Notice of the Annual General Meeting.

**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 No.2	Item No.3
Name of the Director	Sri. Tummala Bapaiah Chowdary	Smt. Vemuri Usha Rani
Director Identification Number (DIN)	00107995	03601565
Date of Birth/Age	21/11/1957/ 67 years	24/11/1961/63 years
Nationality	Indian	Indian
Date of appointment on the Board	01/11/1999	03/08/2024
Qualification	M. Com.	i) Master of Agricultural Science ii) Bachelor of Law iii) PG Diploma in Personnel Management and Industrial Relations
Nature of Expertise in specific Functional Areas	He is a business man in Agri industry.	She is a Retd. IAS and having experience in Banking Services, Customs, Administrative Services, Horticulture, Revenue, Legal Services. She also practiced as Advocate in Andhra Pradesh High Court.
Terms and conditions of appointment/re-appointment	Non-Executive Director and liable to retire by rotation	Non-Executive, Independent Director and not liable to retire by rotation
Details of relationship with other Directors, Manager and Key Managerial Personnel of the Company	Brother of Shri T. Gopichand (CMD) and relative of Shri T. Madhu Mitra (WTD)	Nil
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]	Nil	i) Tiya Craft Decor Private Limited ii) Andhra Pradesh Airports Development Corporation Limited (Resigned w.e.f. 22/12/2021 – not updated in MCA)
Number of memberships/ chairmanships of Committee(s) of the Board of the Listed entities including this Listed entity	One	Nil
Details of Shares held in the Company	92,676 (0.74%)	Nil

By Order of the Board of Directors

Place: Hyderabad  
Date : 3rd August, 2024

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

## BOARD'S REPORT

### DEAR MEMBERS,

The Board of Directors are pleased to present the 30th Annual Report along with the Audited Financial Statements of Tera Software Limited ('TSL' or 'the Company') for the year ended 31st March, 2024.

### ADEQUACY 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.

### 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 2023-24 is available on the website of the Company at <https://terasoftware.com/annual-return/>.

### AUDIT COMMITTEE:

The Company has in place an Audit Committee in terms of the requirements of Section 177 of the Act read with the Rules made thereunder and Regulation 18 of the SEBI Listing Regulations.

The details pertaining to the same have been provided in **Annexure 'A'** - Report on Corporate Governance forming part of this Board's Report.

### AUDITORS REPORT:

The Auditors' report to the shareholders does not contain any qualification, observation or comment or adverse remark(s).

### BOARD, COMMITTEE AND GENERAL MEETINGS:

During the financial year under review, 6 (Six) meetings of the Board of Directors were held.

1 (One) Annual General Meeting of the Company was held on 17th August, 2023.

Also, a separate meeting of Independent Directors as prescribed under Schedule IV of the Act was held on 10th February, 2024.

The details of the meetings are provided in **"Annexure - A"** Report on Corporate Governance forming part of this Board's Report.

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 applicability.

### CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, a report on Corporate Governance is annexed as **"Annexure - A"** and forms part of the annual report.

### 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 as **"Annexure - B"**.

### CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

Sri. O. Babu Reddy, Chief Financial Officer resigned w.e.f. 30-06-2023 from the Company.

Smt. T. Pavana Devi (DIN: 00107698), retired by rotation in the 29th Annual General Meeting held on 17th August, 2023 and not re-appointed as per her desire.

Sri. T. Madhu Mitra (DIN: 07124242) appointed as a Director (Marketing) in the capacity of Whole time Director in the 29th Annual General Meeting held on 17th August, 2023.

Kum. D. Pravallika appointed as the Chief Financial Officer w.e.f. 31st December, 2023.

The second term of five years tenure of Independent Directors Dr. T. Hanuman Chowdary and Smt. T. V. Lakshmi is to be completed on 30/09/2024 and not eligible for re-appointment as per Companies Act, 2013 and rules made thereunder,



but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.

Pursuant to the recommendation of the Nomination & Remuneration Committee (NRC), the Board at its meeting held on 3 August, 2024 appointed Smt. Vemuri Usha Rani as an Additional Director in the capacity of Non-Executive Independent Director and recommended the appointment of her as an Independent Director of the Company for a period of five years w.e.f. 3 August, 2024 to 2 August, 2029, for approval of the members at the ensuing Annual General Meeting.

Sri. T. Bapaiah Chowdary, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Notice convening the Annual General Meeting includes the proposal for appointment/re-appointment of Directors.

The Board opines that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

#### **COMPANY POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Company has formulated a Nomination and Remuneration Committee in accordance with the requirements of Section 178 of the Act read with Rules made thereunder and Regulation 19 of SEBI Listing Regulations.

The details of the same are given in “**Annexure – A**” - Report on Corporate Governance forming part of this Board's Report.

The NRC has formulated a policy on Director's appointment and remuneration including recommendation of remuneration of the key managerial personnel and senior management personnel and the criteria for determining qualifications, positive attributes and independence of a Director. The NRC Policy is also provided in **Annexure 'A'** - Report on Corporate Governance forming part of this Board's Report.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS ON THE BOARD AND GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

#### **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, 2024, is annexed as “**Annexure - C.**”

#### **COMPLIANCE CERTIFICATE SIGNED BY CEO & CFO:**

Compliance Certificate signed by CEO & CFO for the financial year ended 31st March, 2024 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**”.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and Regulation 34 of the SEBI Listing Regulations prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI), in this regard.

#### **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**

### **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.

There is no requirement to spend on CSR activities in the financial year 2023-24 as the average net profit of the preceding three financial years are in negative.

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 - E**” to this report.

### **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 is annexed as “**Annexure - F**.”

### **DECLARATION OF INDEPENDENCE OF INDEPENDENT DIRECTORS:**

The Company has received Declarations of Independence from Independent Directors as stipulated under Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, confirming that he/she is not disqualified from appointing/continuing as Independent Director as per the criteria laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

### **DEPOSITS:**

During the year under review, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act and the Rules framed thereunder. Hence, the Company does not have any unclaimed deposits as on the date of the Balance Sheet. The Company complies with the requirement of filing the requisite return with respect to amount(s) not considered as deposits.

### **DEPOSITORY SYSTEM:**

As the members are aware, the Company's shares are compulsorily tradable in electronic form only. As on 31 March, 2024, 99.62% of the Company's total paid-up capital representing 1,24,64,427 shares are in dematerialized form. In terms of Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities shall be processed only if the securities are held in the dematerialized form.

Pursuant to SEBI circular dated January 25, 2022, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate and consolidation of securities certificates/folios will be processed only in demat form. A letter of confirmation will be issued, which needs to be submitted by the shareholder to Depository Participant to get credit of these securities in dematerialized form. Shareholders desirous of using these services are requested to contact the RTA of the company, the contact details of RTA are available on the website of the Company at [www.terasoftware.com](http://www.terasoftware.com).

Further in adherence to SEBI's circular to enhance the due diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

In view of the numerous advantages offered by the Depository System as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- b) 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.

#### DISCLOSURE OF REMUNERATION:

The details of remuneration as required to be disclosed under the Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 'G'** forming part of this Board's Report.

The information in respect of employees of the Company required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable during the year under review, as no employee is drawing the aggregate limits as specified in the above said Rules.

#### DIVIDEND:

Your directors have not recommended the payment of dividend for the F.Y. 2023-24 to manage the cash flows of the Company Business operations.

#### FINANCIAL RESULTS:

(Rs. in Lakhs)

PARTICULARS	Standalone	
	Year Ended 31.03.2024	Year Ended 31.03.2023
Gross Income	<b>8841.13</b>	15595.96
Expenditure	<b>7787.60</b>	14070.71
Profit before Finance Cost, Depreciation & Tax	<b>1053.53</b>	1525.25
Less: Finance Cost	<b>285.86</b>	636.20
Depreciation	<b>14.98</b>	23.49
Profit/Loss Before Tax (PBT)	<b>752.69</b>	865.56
Less: Provision for Current tax	<b>205.72</b>	190.37
Tax Expense relating to earlier years	<b>(31.76)</b>	276.53
Deferred tax	<b>94.61</b>	52.08
Exceptional Items	<b>139.47</b>	--
<b>Profit/Loss After Tax (PAT)</b>	<b>344.65</b>	346.58

#### LISTING OF SHARES ON STOCK EXCHANGES:

The Equity Shares of your Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE). The Annual listing fees of both the stock exchanges have been paid.

#### MATERIAL CHANGES & COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company between the end of the current financial year and the date of this report.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion and Analysis Report as required 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 Board's Report.

#### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has disclosed the full particulars of the loans given, investments made or guarantees given or security provided as required under Section 186 of the Act and Regulation 34(3) read with Schedule V of the SEBI Listing Regulations and forms part of the financial statements.

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

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is prescribed in form AOC-2 and is appended as "**Annexure - 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.

The Audit Committee has approved all the Related Party Transactions for the FY 2023-24. Omnibus approval of the Audit Committee is obtained before the commencement of financial year for all the transactions for FY 2024-25 as required under the provisions of Section 177 of the Act.

The revised policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

#### **PERFORMANCE OF THE COMPANY:**

The gross income for the financial year under review were Rs. 8,841.13 lakhs as against Rs.15,595.96 lakhs for the previous year. The Company has registered a net profit of Rs. 344.65 lakhs as compare to previous year's net profit of Rs. 346.58 lakhs.

#### **PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:**

Pursuant to applicable provisions of Schedule IV of Companies Act, 2013, read with Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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.

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.

#### **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

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

#### **PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):**

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

#### **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.

#### **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.

#### **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:**

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 Auditors. The Secretarial Audit report for the financial year 2023-24 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.

#### **SHARE CAPITAL:**

The Company's total paid-up equity share capital is Rs.12,51,18,750/- consisting of 1,25,11,875 equity shares of Rs.10/- each, fully paid up as on 31st March, 2024. During the year under review, there was no change in share capital of the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Company has in place a Stakeholders' Relationship Committee in terms of the requirements of Section 178 of the Act read with the Rules made thereunder and Regulation 20 of the SEBI Listing Regulations.

The details of the same are given in “**Annexure – A**” Report on Corporate Governance forming part of this Board's Report.

#### **STATUTORY AUDITORS:**

Pursuant to the 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 confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

Further, in compliance with Section 146 of the Act, the notices of the general meeting of the Company are also forwarded to the Statutory Auditors of the Company to ensure their attendance at the AGM of the Company.

The details of the total fees paid by the Company and its subsidiaries and other relevant details are provided in “**Annexure – A**” Report on Corporate Governance forming part of this Board's Report.

#### **SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:**

The Company entered into a Joint Venture Agreement with Sitra Infotech Private Limited in the ordinary course of business and incorporated a subsidiary company under the name of 'TS Innovations Private Limited' (TSIPL) w.e.f. 18/07/2023 and participated in e-tender invited by ONGC for award of contract for “Survey, Engineering, Supply, Installation & Commissioning of CCTV System during the year under review. But the contract has not awarded for TSIPL.

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI

Listing Regulations”), as amended, and the same is placed on the website at <https://www.terasoftware.com/investors>. The Company has not having any material subsidiary. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is annexed as “**Annexure - K**” to the Board's Report.

#### **TRANSFER TO RESERVES:**

The Company has not transferred any amount to the reserves during the current financial year.

#### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), the Company has appointed the Company Secretary as the Nodal Officer for carrying out the necessary functions under the applicable provisions of the Act and the rules made thereunder.

Pursuant to the provisions of Section 124 of the Act read with IEPF Rules and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to IEPF, constituted by the Central Government. Further, pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years are required to be transferred by the Company to the designated demat account of the IEPF authority within a period of thirty days of such shares becoming due to be transferred.

The Company sends advance communication to the concerned shareholders at their address registered with the Company and also publishes notices in the newspapers for taking appropriate action to claim unclaimed dividend and the shares due for transfer to IEPF.

Despite these efforts, an amount of Rs. 2,43,264/- which remained unclaimed for a period of seven years from the financial year 2015-16, was transferred to the IEPF in accordance with the provisions of the Act.

Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on [www.iepf.gov.in](http://www.iepf.gov.in) and on submission of such documents as prescribed under the IEPF Rules.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

As per the provisions of Section 177(9) of the Act, the Company is required to establish an effective Vigil Mechanism for Directors and Employees to report genuine concerns. The Whistle Blower Policy of the Company meets the requirement of the Vigil Mechanism framework under the Act and Regulation 22 of SEBI Listing Regulations.

Employees are encouraged to report any wrongdoings having an adverse effect on the Company's financials/image and instances

of leak of unpublished price sensitive information. An employee can report any wrongdoing in oral or written form. Whistle blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization, or unfair treatment.

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 under review.

#### **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.

#### **ACKNOWLEDGMENTS:**

Your Directors take this opportunity to thank the customers, vendors, Financial Institutions, Regulatory Authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also acknowledge the support and co-operation from the Government of India, the concerned State Governments, other Government Departments and Governmental Agencies. The Directors appreciate the significant contributions made by the employees of the Company and its subsidiaries during the year under review and value the contributions made by every member of the Tera family.

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance, encompassing various key facets across investors, employees, shareholders, customers, suppliers, environment, and the community, serves as the driver for maximizing stakeholder value. It is a fundamental element for fostering an effective and enduring business landscape, leveraging a framework of principles, processes, and systems for efficient governance.

The key components of corporate governance include independence, transparency, accountability, responsibility, compliance, ethics, values, and trust. Upholding ethical business practices, integrity, and a steadfast commitment to values are integral to nurturing and reinforcing stakeholder trust within the Company's Corporate Governance framework.

The Company has adopted the latest best practices around the timely disclosure of accurate financial and performance information, in accordance with the established good governance standards. We are committed to sound corporate practices for enhancing and retaining the confidence of stakeholders – a key element for sustained long-term business success.

### 2. BOARD OF DIRECTORS

#### A. Composition of the Board:

The Board of Directors along with its Committees possesses varied skills and expertise. Combined with their diverse background, this enables them to provide requisite leadership and guidance to the Company's senior management team and direct, supervise and closely monitor the performance of the Company.

The Company's policy is to have an appropriate mix of Executive, Non-Executive & Independent Directors. As on 31 March, 2024, the Board comprised of 7 Directors, consisting of the Chairman & Managing Director, 1 Whole-time Director, 1 Non- Executive Director and 4 Independent Directors.

The Board is chaired by Sri. T. Gopichand, Executive Founder Director. The composition of the Board is in line with the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits laid down under SEBI Listing Regulations and the Act. The Directors have provided necessary disclosures regarding changes in Committee positions, if any, during the year. Further, none of the Directors on the Company's Board are members of more than 10 Committees and Chairperson of more than 5 Committees across all public limited companies during the year.

Pursuant to the recommendation of the Nomination & Remuneration Committee (NRC), the Board at its meeting held on 3 August, 2024 appointed Smt. Vemuri Usha Rani as an Additional Director in the capacity of Non-Executive Independent Director and recommended the appointment of her as an Independent Director of the Company for a period of five years w.e.f. 3 August, 2024 to 2 August, 2029, for approval of the members at the ensuing Annual General Meeting.

The second term of five years tenure of Independent Directors Dr. T. Hanuman Chowdary and Smt. T. V. Lakshmi is to be completed on 30/09/2024 and not eligible for re-appointment as per Companies Act, 2013 and rules made thereunder, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.

#### B. Meetings of the Board:

The Board Meetings are held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. For the smooth conduct of business, additional meetings are held whenever deemed necessary. During the year under review, 6 (Six) Board meetings were held on 27 May, 2023, 12 July, 2023, 31 July, 2023, 14 November, 2023, 31 December, 2023 and 10 February, 2024.

The Independent Directors met on 10 February, 2024, to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company Secretary prepares the agenda and the explanatory notes and finalizes the same in consultation with the Chairman. The agenda and the explanatory notes are circulated in advance to the Directors. Every Director is free to suggest the inclusion of any item(s) on the agenda. The Board meets at least once in every quarter, inter alia, to review the quarterly financial results. Presentations are made on business operations to the Board by the CFO and Managing Director of the Company. Management Personnel are invited, as and when required, to the meetings to provide additional inputs for the items being discussed by the Board of Directors. The respective Chairpersons of the Board Committees apprise the Board Members of the important issues and discussions that

transpired in the Committee meetings. In case of urgent matters, resolutions are also passed by circulation, for such matters as permitted by law and taken on record in the immediately upcoming meeting.

The proceedings of the meetings of the Board of Directors are noted, and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The minutes are approved and entered in the minute's book within 30 days of the Board meeting.

The Board of Directors takes note of the minutes of the Committee meetings held in the previous quarter, at its meetings. The Board also takes note of the gist of discussions/decisions taken by its subsidiary companies.

The details of composition of the Board of Directors, attendance of Directors at the Board meetings and at the last Annual General Meeting ('AGM') held during FY 2023-24, number of other Directorships, Membership/ Chairpersonship in Committees held by them as on 31 March, 2024, are as follows:

Name of Director and DIN	Category	Attendance at Board Meeting (Attended/ Held)	Attendance at last AGM	**Number of Directorships in other public companies	***Number of Committee positions held in other Public companies	
					Chairman	Member
Sri. T. Gopichand (DIN: 00107886)	Chairman & Managing Director	6/6	Yes	Nil	Nil	Nil
\$ Dr. T. Hanuman Chowdary (DIN: 00107006)	Independent Non-Executive Director (upto 30/09/2024)	6/6	Yes	3	3	Nil
\$ Dr. T.V. Lakshmi (DIN: 00003020)	Independent Non-Executive Director (upto 30/09/2024)	6/6	Yes	Nil	Nil	2
Sri. A. Divakar (DIN: 00033386)	Independent Non-Executive Director	6/6	No	2	Nil	4
Prof. Dr. Braja Bandhu Nayak (DIN: 09702361)	Independent Non-Executive Director	6/6	Yes	Nil	Nil	Nil
Sri. T. Bapaiah Chowdary (DIN: 00107795)	Non-Executive Director	4/6	No	Nil	Nil	Nil
*Smt. T. Pavana Devi (DIN: 00107698)	Non-Executive Director	3/6	Yes	Nil	Nil	Nil
#Sri. T. Madhu Mitra (DIN: 07124242)	Whole-time Director	3/6	Yes	1	Nil	Nil
@Smt. V. Usha Rani (DIN: 03601565) (appointed w.e.f. 3/8/2024)	Additional Director (Independent Non-Executive Director)	NA	NA	Nil	Nil	Nil

\* Smt. T. Pavana Devi retired by rotation in the AGM held on 17 August, 2023.

# Sri. T. Madhu Mitra appointed as a Director – Marketing (Whole-time Director) in the AGM held on 17 August, 2023.

@ Smt. Vemuri Usha Rani appointed as an Additional Director in the capacity of Non-Executive Independent Director in the Board Meeting held on 03/08/2024.

\$ Dr. T. Hanuman Chowdary and Dr. T.V. Lakshmi tenure of second term of five years as Independent Directors to be completed on 30/09/2024.

\*\* 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.

### C. Disclosure of relationships between directors inter-se:

Name of the Director	Nature of Relationship
Smt. T. Pavana Devi (Non-Executive Director)	Spouse of Sri. T. Gopichand (Chairman & Managing Director of the Company)
Sri. T. Bapaiah Chowdary (Non-Executive Director)	Brother of Sri. T. Gopichand (Chairman & Managing Director of the Company)
Sri. T. Madhu Mitra (Whole-time Director)	Son of Sri. T. Gopichand (Chairman & Managing Director of the Company)



**D. Details of Directorships held in other Listed Entities (excluding directorship held in the company) as on 31 March, 2024, are as follows:**

Name of Director	Directorship in other Listed entity	Category
Sri. T. Gopichand	Nil	NA
Dr. T. Hanuman Chowdary	Softsol India Limited	Independent Director
Dr. T.V. Lakshmi	Nil	NA
Sri. A. Divakar	Jeevan Scientific Technology Limited	Non-Independent Director (Non-Executive)
Prof. Dr. Braja Bandhu Nayak	Nil	NA
Sri. T. Bapaiah Chowdary	Nil	NA
Smt. T. Pavana Devi	Nil	NA
Sri. T. Madhu Mitra	Nil	NA
Smt. V. Usha Rani (appointed on 3/8/2024)	Nil	NA

**E. Information to the Board:**

The Board of Directors has complete access to the information within the Company, which inter alia includes –

- Annual revenue budgets and capital expenditure plans;
- Quarterly results and results of business segments;
- Financing plans of the Company;
- Minutes of meeting of Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Borrowing Committee;
- Details of any joint venture or collaboration agreement;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Materially relevant default, if any, in financial obligations to and by the Company or substantial non-payment for goods sold or services rendered, if any;
- Any issue, which involves possible public or product liability claims of substantial nature, including any Judgment or Order, if any, which may have strictures on the conduct of the Company;
- Developments in respect of human resources;.
- Compliance or Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any;

**F. Post-meeting internal communication system:**

The important decisions taken at the Board/committee meetings are communicated to the concerned departments promptly.

**G. Details of skills / expertise / competence of the Board of Directors:**

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company along with the names of Directors who possess such skills/expertise/competencies:

S.No.	Name of the Director	Skills / Expertise / Competence
1	Sri. T. Gopichand	Technology Innovation, Strategic Development & Leadership
2	Dr. T. Hanuman Chowdary	IT and Management Advisory
3	Dr. T.V. Lakshmi	Research & Innovations
4	Sri. A. Divakar	Accounts, Audit and Governance
5	Prof. Dr. Braja Bandhu Nayak	Corporate Governance, Strategic Planning, Operation, Large Scale Manufacturing and Management of Projects of national importance.
6	Sri. T. Bapaiah Chowdary	Management
7	Sri. T. Madhu Mitra	Technocrat, Strategic Planning, Project Management
8	Smt. V. Usha Rani	Administrative Services (Retd. IAS Officer)

### 3. BOARD COMMITTEES:

The Board currently has following five Committees: 1) Audit Committee 2) Nomination and Remuneration Committee 3) Stakeholders' Relationship Committee 4) Corporate Social Responsibility Committee and 5) Borrowing Committee and One Sub-committee of Audit Committee namely Debtors Review Committee.

The terms of reference of the Board Committees are in compliance with the provisions of the Act, the SEBI Listing Regulations and are also decided by the

Board from time to time. The Board is responsible for constituting, assigning, and appointing the members of the Committees. Based on the recommendations, suggestions and observations of the Committee, the Board of Directors takes informed decisions. Draft minutes of the Committee meetings are circulated to the members of those Committees for their comments and thereafter, confirmed in its next meeting, in terms of Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India.

The minutes of the Committee meetings are also placed in the Board meeting of the Company. A brief description of terms of reference of the Committees, the composition of the Committees including the number of meetings held during the financial year and the related attendance are provided below.

#### i. AUDIT COMMITTEE

##### a) Terms of Reference:

The terms of reference of the Audit Committee have been drawn up in line with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act, which 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.

**(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.

During the year ended 31 March, 2024, the Audit Committee met five times on 25 May, 2023, 31 July, 2023, 14 November, 2023, 31 December, 2023 and 10 February, 2024.

The composition of the Audit Committee as on 31 March, 2024 and the attendance of members at the meetings held during the Financial Year 2023-24 are as follows:

Name of the Audit Committee Member	Category	Position	No of Meetings held	No of Meetings attended
Sri. A. Divakar	Non Executive & Independent Director	Chairman	5	5
Dr. T. Hanuman Chowdary	Non Executive & Independent Director	Member (upto 30/09/2024)	5	5
Prof. Dr. Braja Bandhu Nayak	Non Executive & Independent Director	Member	5	5
Sri. T. Bapaiah Chowdary	Non Executive & Non-Independent Director	Member	5	3

Dr. T. Hanuman Chowdary ceased to be a Member of Audit Committee on 30/09/2024 and Smt. V. Usha Rani appointed as an Audit Committee Member w.e.f. 01/10/2024.

All the members of the Audit Committee are financially literate and have accounting and financial management expertise.

Additionally, CFO of the Company is permanent invitee to the meetings of the Audit Committee. Statutory and Internal Auditors or their representatives are permanent invitees to the meetings of the Audit Committee. Further, Management Personnel are invited, as and when necessary, to the meetings to provide additional input for the items being discussed by the Audit Committee.

The Company Secretary is the Secretary to the Committee. The Chairman of the Audit Committee also has discussions with the Statutory and Internal Auditors without presence of the management.

**(c) Internal Audit:**

M/s. Darapaneni & Co., are the Internal Auditors of the Company. From time to time, they review the Company's systems of internal controls covering financial, operational, compliance, etc. Presentations are made to the Audit Committee on quarterly basis covering the scope of their audit and their findings. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee and significant audit observations, comments and corrective actions thereon are presented to the Audit Committee in its meeting. The Board, at its meeting held on 27 May, 2023 re-appointed them for the financial year 2023-24.

**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 2023-24 is detailed below:

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

\*Sri. O. Babu Reddy ceased as a member of Debtors Review Committee w.e.f. 30/06/2023

### iii. **NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The terms of reference of Nomination and Remuneration Committee (“NRC”) have been drawn up in line with Section 178(1) of the Act and Regulation 19 of the SEBI Listing Regulations, which are briefly described below:

- To identify, review, assess and recommend to the Board the appointment of executive and non-executive Directors and senior management personnel;
- To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy for appointment and remuneration of the directors, key managerial personnel and senior management personnel and other employees;
- To formulate a criteria for evaluation of performance of independent directors and the Board of Directors;
- To consider and approve employee stock option schemes and to administer and supervise the same;
- Devising a policy on Board diversity;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- Any other terms of reference may be referred to by the Board or as may be provided under the Companies Act, or the Listing Regulations, or by any other regulatory authority.

#### **Composition and Attendance during the year:**

The NRC comprises of 2 (Two) Independent Directors and one Non-Executive Director. During the year ended 31 March, 2024, the NRC met 2 (Two) times on 27 May, 2023 and 31 December, 2023. The requisite quorum was present for all the meetings.

The composition of the NRC along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Director	Category	Position in the Committee	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman (upto 30/09/2024)	2	2
Dr. T.V. Lakshmi	Non-Executive & Independent Director	Member (upto 30/09/2024)	2	2
Sri. T. Bapaiah Chowdary	Non-Executive Director	Member	2	2

Dr. T. Hanuman Chowdary and Dr. T. V. Lakshmi ceased to be the Members of NRC on 30/09/2024.

Prof. Dr. Braja Bandhu Nayak and Smt. V. Usha Rani (Independent Directors) appointed as the NRC members w.e.f. 01/10/2024.

#### **Remuneration Policy:**

The Company’s philosophy for remuneration of Directors, key managerial personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### **The key principles governing the Company’s Remuneration Policy are as follows:**

##### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be 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. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
- The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes etc., as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**Details of Remuneration Paid/Payable to Directors for the year ended 31 March, 2024**

**(a) Executive Directors (KMPs):**

The details of remuneration paid/payable to the Executive Directors are as follows:

Amount Rupees in Lakhs

Name of Director	Salary	Perquisites	Total
Sri. T. Gopichand, Chairman and Managing Director	104	Nil	104
Sri. T. Madhu Mitra, Whole-time Director	16.81	Nil	16.81

Note: The above amounts do not include gratuity.

**(b) Independent Directors/Non-Executive Directors:**

The details of remuneration paid/payable to the Independent Directors/Non-Executive Directors is as follows:

Amount Rupees in Lakhs

Name of Director	Sitting Fees for Board Meetings	Sitting Fees for Committee Meetings	Total
Dr. T. Hanuman Chowdary, Independent Director	1.10	1.25	2.35
Dr. T. V. Lakshmi, Independent Director	1.10	0.31	1.41
Sri. A. Divakar, Independent Director	1.10	1.04	2.14
Prof. Dr. Braja Bandhu Nayak, Independent Director	1.10	1.00	2.10
Sri. T. Bapaiah Chowdary, Non-Executive Director	0.71	0.91	1.61
Smt. T. Pavana Devi, Non-Executive Director (Retired by rotation w.e.f.17/08/2023)	0.50	Nil	0.50

**Equity Shares held by the Non-Executive Directors as on 31 March, 2024 are as follows:**

Names	No. of Shares held
Sri. T. Bapaiah Chowdary, Non-Executive Director	92,676

**(c) Key Managerial Personnel and Senior Management other than MD/WTD:**

The details of remuneration paid/payable to the KMP and Senior Management Personnel are as follows:

Amount Rupees in Lakhs

Name of Key Managerial Personnel	Salary	Perquisites	Total
Sri. O. Babu Reddy, Chief Financial Officer (resigned w.e.f. 30/06/2023)	4.95	Nil	4.95
Kum. D. Pravallika, Chief Financial Officer (appointed w.e.f. 31/12/2023)	1.84	Nil	1.84
Sri. Ch. Mallikarjuna, Company Secretary & Compliance Officer	9.48	Nil	9.48

Note: The above amounts do not include gratuity.

**iv. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**Terms of Reference**

The terms of reference of Stakeholders' Relationship Committee ("SRC") of the Board of Directors have been drawn up in line with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, which are briefly described below:

- To redress grievances of shareholders, debenture holders and other security holders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- To consider and resolve grievances related to non receipt of declared dividends, annual report of the Company or any other documents or information to be sent by the Company to its shareholders;
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

**Composition and Attendance during the year**

The SRC comprises of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. During the year ended 31 March, 2024, the SRC met 1 (One) time on 10 February, 2024. During the year under review, the SRC was re-constituted by inducting Dr. Braja Bandhu Nayak as a member in place of Smt. T. Pavana Devi. The requisite quorum was present for the meetings.

The composition of the SR Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Director	Category	Position in the Committee	No. of Meetings Held	No. of Meetings Attended
Sri. T. Bapaiah Chowdary	Non-Executive Director	Chairman	1	1
Dr. T.V. Lakshmi	Independent Director	Member (upto 30/09/2024)	1	1
Prof. Dr. Braja Bandhu Nayak	Independent Director	Member	1	1

Dr. T. V. Lakshmi ceased to be the Member of SRC on 30/09/2024.

Sri. Divakar Atluri, (Independent Director) appointed as the SRC member w.e.f. 01/10/2024.

Sri. Ch. Mallikarjuna is the Company Secretary and Compliance Officer of the Company.

### Number of Requests/Complaints

During the year, the Company/its Registrar not received any of the complaints from SEBI/Stock Exchanges and from shareholders.

The Board has delegated the powers to approve the transfer of shares to the Share Transfer Committee. Pursuant to Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer of securities are to be processed only if the securities are held in dematerialized form.

Hence no requests for transfer of shares in physical form has been approved by the Share Transfer Committee during the year under review.

### v) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSRC)

#### Terms of Reference

The terms of reference of the Corporate Social Responsibility (“CSR”) Committee have been drawn up in line with Section 135 of the Act, which are briefly described below:

1. 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.
2. Recommend the amount to be incurred on the CSR activities.
3. Monitor implementation and adherence to the CSR Policy of the company periodically.
4. 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](http://www.terasoftware.com) under investors section.

#### Composition and Attendance during the year

The CSR Committee comprises of 2 (Two) Independent Directors and 1 (One) Executive Director as its members. The Chairman of the Committee is an Independent Director. During the year under review, the CSR Committee was re-constituted due to retirement of Smt. T. Pavana Devi. During the year, the Committee met 1 (One) time on 10 February, 2024. The requisite quorum was present for the meetings.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Director	Category	Position in the Committee	No of Meetings held	No of Meetings attended
Dr. T. Hanuman Chowdary	Non-Executive & Independent Director	Chairman (upto 30/09/2024)	1	1
Sri. A. Divakar	Non-Executive & Independent Director	Member	1	1
Sri. T. Gopichand	Executive Director	Member	1	1

The Chairman of the CSR Committee was present at the previous AGM of the Company held on 17 August, 2023.

Dr. T. Hanuman Chowdary ceased to be the Member of CSR Committee on 30/09/2024.

Prof. Dr. Braja Bandhu Nayak, Independent Director appointed as a CSR Committee member w.e.f. 01/10/2024.

### (vi) BORROWING COMMITTEE

#### Terms of Reference

The terms of reference of the Borrowing Committee have been drawn up in line with the Act, which are briefly described below:

1. To borrow 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.
2. 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.
3. To authorise any other person(s) to do all such acts as may be required for the said purpose.

#### Composition and Attendance during the year

The Borrowing Committee comprises of 2 (Two) Independent Directors and 1 (One) Executive Director as its members. The Chairman of the Committee is Executive Director. During the year under review, No Borrowing Committee meetings were held.

The composition of the Committee along with the details of the meetings held and attended during the aforesaid period is detailed below:

Name of Director	Category	Position in the Committee	No of Meetings held	No of Meetings attended
Sri. T. Gopichand	Chairman & Managing Director	Chairman	0	NA
Sri. T. Madhu Mitra	Whole - Time Director	Member (w.e.f. 14/11/2023)	0	NA
Prof. Dr. Braja Bandhu Nayak	Non-Executive & Independent Director	Member	0	NA

\*Smt. T. Pavana Devi ceased as a member of Borrowing Committee (w.e.f. 17/08/2023)

#### 4. OTHER INFORMATION

##### Directors' Familiarization Program

All Directors are aware and are also updated, as and when required, of their responsibilities, roles and liabilities. All business developments are uploaded on the website of the Company so that our Directors are updated about the operations of the Company.

The Board of Directors has complete access to the information within the Company. Minutes of all Committee meetings and a summary of the minutes of the meetings of the subsidiaries are being included as a part of the Agenda to the Board. Systems, procedures, and resources are in place to ensure that every Director is provided with precise and timely information which enables them to exercise their duties effectively.

Presentations, inter alia, cover business strategies, management structure, HR policy, succession planning, quarterly and annual results, budgets, review of Internal Audit, Corporate Social Responsibility and risk management framework, etc.

Independent Directors, through their interactions and deliberations, give suggestions for improving the overall effectiveness of the Board and its Committees. Independent Directors have the freedom to interact with the Company's management.

##### Vigil Mechanism/Whistle Blower Policy

The Company has a Whistle Blower Policy in place to encourage and facilitate employees to report concerns about unethical behavior, actual/suspected frauds, and violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairman of the Audit Committee. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Policy also establishes adequate safeguards to enable employees to report instances of leak of unpublished price sensitive information. The Company has disclosed information about the establishment of the Whistle-Blower Policy on its website also.

During the year, no personnel have been declined access to the Audit Committee, wherever desired. Employees are encouraged to report any wrongdoings having an adverse effect on the Company's financials/image and instances of leak of unpublished price sensitive information. An employee can report any wrongdoing in oral or written form. Whistle blowers are assured by the management of full protection from any kind of harassment, retaliation, victimization, or unfair treatment.

The Audit Committee is periodically briefed about the various cases received, the status of the investigation, findings and action taken, if any.

##### Statutory Auditors

In the case of appointment of new auditors, the Audit Committee evaluates various audit firms based on approved criteria such as compliance with the legal provisions, number/nature/size and variation in client base, skill sets available in the firm both at partner level and staff level, systems and processes followed by the firm, training and development by the firm to its partners and staff, etc.

M/s. Narven Associates, Chartered Accountants appointed as the Statutory Auditors of the Company for a period of 5 continuous years from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2027.

For the financial year 2023-24, the total fees paid/payable by the Company to statutory auditors for Audit and Other Services is Rs. 12 lakhs.

Members may also refer to the Board's Report for additional information pertaining to Statutory Auditors.

##### Code of Conduct

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the website of the Company, [www.terasoftware.com](http://www.terasoftware.com). The declaration of Chief Executive Officer & Managing Director is annexed to the Director's Report.



## 5. GENERAL BODY MEETINGS

### a. Details of Annual General Meetings of last three years:

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:

Financial Year/ AGM	Venue	Date, Day & Time	Special Resolution passed
2022-23/ 29 AGM	Jubilee Hills International Centre, Near Post Office, Road No.14, Jubilee Hills, Hyderabad-500033, Telangana, India	17 August, 2023, Thursday, 11:00 AM	1. To appoint Sri. Tummala Madhu Mitra (DIN: 07124242), as a Director (Marketing) of the Company and fix his remuneration. 2. To increase the remuneration of Sri. Tummala Gopichand (DIN: 00107886), Chairman and Managing Director of the Company.
2021-22/ 28 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.
2020-21/ 27 AGM	Through Video Conference	30th July, 2021, Friday, 11:00 AM	1. To re-appoint Sri. Tummala Gopichand as a Vice Chairman and Director (KMP); 2. To Sell Company's Land situated at Annaram/ Gaghillapur Village.

### b. Postal Ballot

During the year under review, no matters were transacted through postal ballot.

## 6. MEANS OF COMMUNICATION

**Financial Results:** The quarterly/half-yearly/annual financial results of the Company (both standalone and consolidated) are submitted to National Stock Exchange of India Limited and BSE Limited within the prescribed timelines, and they are published in newspapers, which include the Financial Express (English daily) and local news paper Nava Telangana (Telugu daily). Simultaneously, the aforesaid financial results also placed on the Company's website "www.terasoftware.com/investors".

**Website:** The Company's website www.terasoftware.com provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the Stock Exchanges. The entire Annual Report and Accounts of the Company are available on the websites of the Stock Exchanges and the Annual Report and Accounts of the subsidiaries are also available on the website of the Company in downloadable format.

## 7. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting:

Day and Date	Time	Venue
Monday, 9 September, 2024	4.00 pm	# 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Telangana, India

### b. Financial Calendar:

The Company follows April to March as the financial year. Tentative calendar of Board meetings for consideration of financial results during the financial year ending 31 March, 2025 is as under:

Particulars	Period
Results for quarter ending 30 June, 2024	Approved in the Board Meeting held on 3rd August, 2024
Results for quarter ending 30 September, 2024	On or before 14 November, 2024
Results for quarter ending 31 December, 2024	On or before 14 February, 2025
Results for the quarter and year ending 31 March, 2025	On or before 15 May 2025 (Un-audited) / On or before 30 May, 2025 (Audited)

### c. Listing of Equity Shares on Stock Exchanges:

The shares of the Company are listed on the following stock exchanges:

Name of Stock Exchange	Address	Stock Code/Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	533982
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra-kurla Complex, Bandra (East), Mumbai-400051	TERASOFT

**Listing Fees to Stock Exchanges:**

The Company has paid the Listing Fees for the year 2023-2024 to the above Stock Exchanges.

**Custodial Fees to Depositories:**

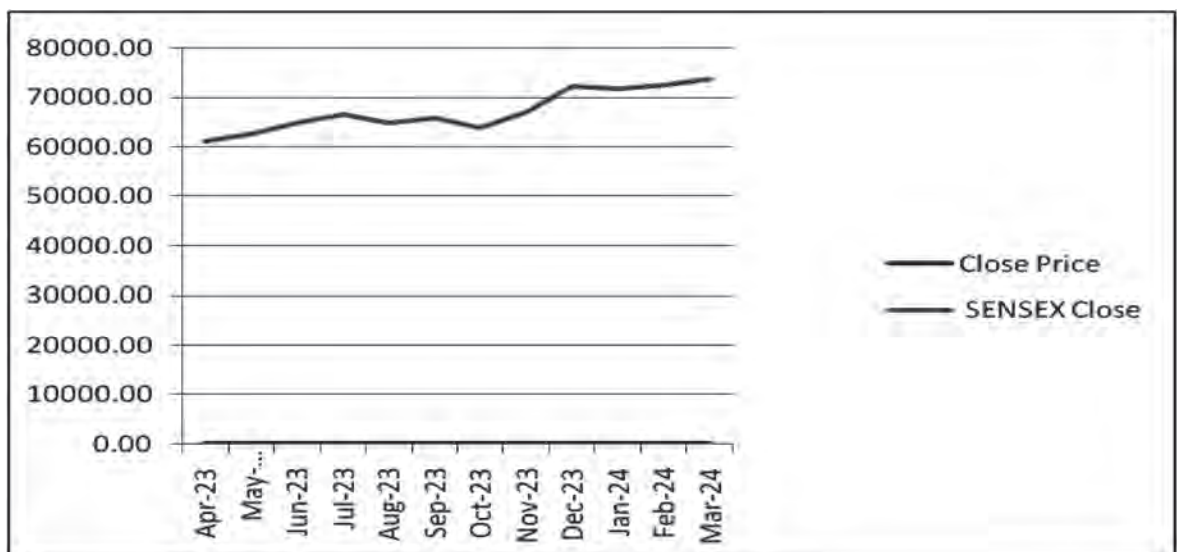
The Company has paid custodial fees for the year 2023-2024 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**The ISIN of the Company is INE482B01010.**

**d. Share Market Price Data for the year 2023-24**

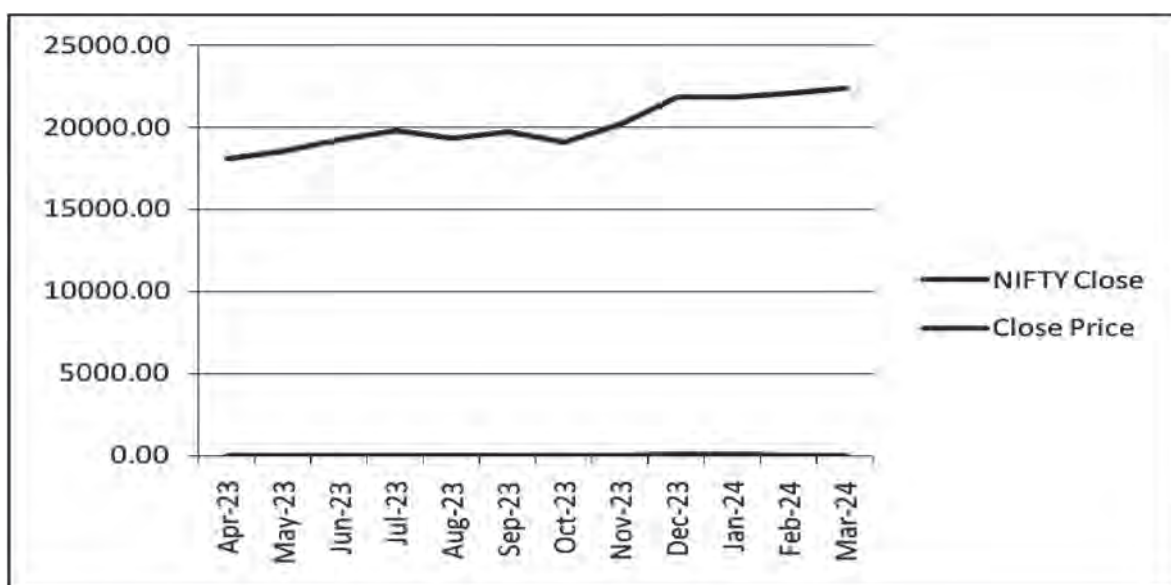
**i. BSE Limited (BSE)**

Month	TSL BSE Price in Rs.			BSE SENSEX		
	High Price	Low Price	Close Price	High	Low	Close
Apr-23	40.60	29.50	37.71	61209.46	58793.08	61112.44
May-23	49.40	35.85	44.04	63036.12	61002.17	62622.24
Jun-23	59.50	44.25	48.60	64768.58	62359.14	64718.56
Jul-23	50.84	46.00	48.80	67619.17	64836.16	66527.67
Aug-23	47.05	40.50	41.00	66658.12	64723.63	64831.41
Sep-23	43.17	40.01	41.15	67927.23	64818.37	65828.41
Oct-23	50.90	39.66	43.36	66592.16	63092.98	63874.93
Nov-23	49.00	42.90	45.76	67069.89	63550.46	66988.44
Dec-23	72.39	44.98	61.86	72484.34	67149.07	72240.26
Jan-24	82.40	60.05	64.19	73427.59	70001.60	71752.11
Feb-24	72.98	56.54	56.54	73413.93	70809.84	72500.30
Mar-24	60.55	45.67	45.69	74245.17	71674.42	73651.35



## ii. National Stock Exchange of India Limited (NSE)

Month	TSL NSE Price in Rs.			NSE NIFTY-50		
	High Price	Low Price	Close Price	High	Low	NIFTY Close
Apr-23	40.90	29.25	37.60	18089.15	17312.75	18065.00
May-23	47.80	36.70	44.15	18662.45	18042.40	18534.40
Jun-23	59.45	43.10	48.75	19201.70	18464.55	19189.05
Jul-23	50.90	45.60	48.25	19991.85	19234.40	19753.80
Aug-23	47.40	40.50	40.90	19795.60	19223.65	19253.80
Sep-23	43.45	39.95	41.45	20222.45	19255.70	19638.30
Oct-23	51.30	39.65	43.55	19849.75	18837.85	19079.60
Nov-23	47.50	42.55	45.90	20158.70	18973.70	20133.15
Dec-23	72.40	44.45	62.10	21801.45	20183.70	21731.40
Jan-24	82.50	60.60	63.40	22124.15	21137.20	21725.70
Feb-24	72.75	56.20	57.10	22297.50	21530.20	21982.80
Mar-24	62.50	45.15	45.50	22526.60	21710.20	22326.90



### e. Share transfer system

Pursuant to the amendments in SEBI Listing Regulations, the Company is not processing any requests for transfer of securities in physical form. Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate and consolidation of securities certificates/folios are being processed only in demat form. In such cases, the Company issues a letter of confirmation, which needs to be submitted by the shareholder to the Depository Participant in order to get credit of these securities in the demat account.

Pursuant to the SEBI Circular dated March 16, 2023 subsequently amended on November 17, 2023, the Company has sent notice to all shareholders holding shares in physical form asking them to furnish their PAN, details of Nomination, Contact details (viz. address, mobile and E-mail), Bank Account details and specimen signature to our RTA - KFin Technologies Limited for receiving any dividend in respect of their folios through electronic mode, failing which the same shall be withheld by the Company. The concerned Members are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs with the RTA.

The certificate on yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary, as required under Regulation 40 of the SEBI Listing Regulations, has been submitted to Stock Exchanges within stipulated time.

**f. Distribution of Shareholding as of 31 March, 2024**

Category (Shares)	No. of Cases	% of Cases	Amount	% to equity
1-5000	15873	87.78	17435030.00	13.93
5001 - 10000	1183	6.54	9467510.00	7.57
10001 - 20000	571	3.16	8621420.00	6.89
20001 - 30000	165	0.91	4190600.00	3.35
30001 - 40000	83	0.46	2959490.00	2.37
40001 - 50000	59	0.33	2761020.00	2.21
50001 - 100000	85	0.47	6113820.00	4.89
100001 & Above	63	0.35	73569860.00	58.80
Total:	18082	100.00	125118750.00	100.00

**g. Shareholding Pattern as on 31 March, 2024**

Sl. No	Category of Shareholder	No. Shareholders	Total Shares	% of Total Shares
<b>A</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>			
	<b>Indian</b>			
	Individuals/Hindu Undivided Family	8	5947327	47.53
	<b>Foreign</b>			
<b>B.</b>	<b>Public Shareholding:</b>			
	<b>Institutions:</b>			
	Financial Institutions/Banks	1	100	0.00
	<b>Non-Institutions:</b>			
	Bodies Corporate	65	347150	2.77
	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	17076	5234332	41.83
	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	6	364746	2.92
	NBFCs Registered with RBI	0	0	0.00
	Clearing Members	1	781	0.01
	Non Resident Indians	161	118350	0.95
	HUF	259	413127	3.30
	Investor Education & Protection Fund (IEPF)	1	85418	0.68
	<b>Trust</b>			
	Foreign Fort polio Investors	1	544	0.01
	Total:	17579	12511875	100.00

**h. Shareholders holding more than 1% of shares as on 31 March, 2024**

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	Mahendra Giridharilal	156209	1.25
7	T. Seetharamamma	136875	1.09
	Total:	5956860	47.60

**i. Dematerialization of Shares**

The Company's Shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. As on 31 March, 2024, the number of shares held in dematerialized and physical mode is as follows:

Particulars	Number of Shares	% of total capital issued
Held in Dematerialized form in NSDL	8774839	70.13
Held in Dematerialized form in CDSL	3689588	29.49
Physical	47448	0.38
Total:	12511875	100.00

Members holding physical share certificates can convert the same into demat mode which will negate the risks associated with physical certificates.

Members holding shares in dematerialized form can intimate all changes viz. pertaining to change of address, change in e-mail id, bank details etc. to their Depository Participants while those holding shares in physical form can intimate such changes to the Company's Registrar and Share Transfer Agent (RTA).

**j. Address for correspondence and contact persons for investors' queries:**

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): <a href="https://kprism.kfintech.com/">https://kprism.kfintech.com/</a> Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> KFINTECH Corporate Website: <a href="https://www.kfintech.com">https://www.kfintech.com</a> RTA website: <a href="https://ris.kfintech.com">https://ris.kfintech.com</a>
Address of the Compliance Officer	Sri. Ch. Mallikarjuna, Company Secretary & Compliance Officer, 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Tel: 040-23547447/ M: 9949604854; E-mail: <a href="mailto:companysecretary@terasoftware.in">companysecretary@terasoftware.in</a>

**8. OTHER DISCLOSURES:**

**a. Materially significant related party transactions & Policy on dealing with Related Party Transactions**

During the year under review, there was no materially significant related party transaction entered into by the Company with its related parties that may have potential conflict with the interests of the Company at large. The Audit Committee has approved the Related Party Transaction Policy and its Guidelines and the same is available on the Company's website at [www.terasoftware.com/investors](http://www.terasoftware.com/investors).

**b. Penalties or Strictures**

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three (3) years.

There is no non-compliance of any requirement of Corporate Governance Report as prescribed under sub-paras (2) to (10) of Part C of Schedule V of SEBI Listing Regulations.

**c. Policy on determining Material Subsidiaries and details of Material Subsidiaries**

The Company has formulated a policy on the identification of material subsidiaries in line with Regulation 16(c) of the SEBI Listing Regulations, and the same is available on the Company's website at [www.terasoftware.com/investors](http://www.terasoftware.com/investors).

During the year under review, the Company is not having any Material Subsidiary as per the aforesaid policy and SEBI Listing Regulations.

**d. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

– Not applicable

**e. Certification for non-disqualification of Director**

The Company has obtained a Certificate from CV Reddy K & Co., Company Secretaries confirming that Directors have not been debarred or have not been disqualified from being appointed or continuing as Directors by SEBI/MCA or any other authority. The said Certificate is annexed to this report.

**f. Disclosure on acceptance of recommendations made by Board Committees**

During the year under review, the Board, after due deliberations, accepted the various recommendations made by the Committees to the Board of Directors.

**g. Total fees paid to Statutory Auditors**

For the Financial year 2023-24, the total fees paid/payable by the Company to M/s Narven & Associates, Chartered Accountants (Firm Registration No. 005905S), Statutory Auditor for Audit including other services provided by them is Rs. 12 lakhs.

Members may also refer the Board's Report for additional information pertaining to Statutory Auditors.

**h. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has framed the Policy for Prevention of Sexual Harassment at Workplace to ensure prevention, prohibition and protection against sexual harassment.

The policy provides the guidelines for reporting such harassment and the procedure for redressal of complaints of such nature. During the financial year ended 31 March, 2024, No complaints were filed.

**i. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

The Company has not given loans to firms/companies in which Directors are interested.

**j. Compliance with mandatory requirements of Corporate Governance**

During the year under review, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of SEBI Listing Regulations, as applicable.

**k. Disclosure of certain types of agreements binding listed entities**

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

**l. Outstanding of unclaimed dividend amounts/shares:**

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 transferred unclaimed dividend for the F.Y. 2015-16 of Rs. 2,43,264/- 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.

During the year under review, no shareholder approached the Company for transfer of shares lying in the escrow account.

The Voting rights on these shares shall remain frozen till the rightful owner claims the shares.

**m. 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.

**n. 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.

**o. 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.

**p. 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.

**q. Share Capital Audit as per SEBI requirements**

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the reports thereon are submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

**r. Secretarial Audit as per Companies Act, 2013**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, CV Reddy K & Co., Company Secretaries, conducts the secretarial audit of the compliance of applicable statutory provisions and the adherence of good corporate practices by the Company.

Pursuant to the SEBI circular dated 8th February 2019, the Company has obtained an annual secretarial compliance report from CV Reddy K & Co., Company Secretaries and the same has been submitted to the Stock Exchanges within the prescribed timelines.

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

**UDIN: F007976F000879539**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from 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, 2024 and Registrar of Companies records.

In our opinion and to the best of my information and according to the examinations carried out by us (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and considered the explanations and representation furnished to us by the Company, we hereby 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 Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority as on 31st March, 2024:

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	07124242	Sri. Tummala Madhu Mitra	Whole-time Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 C. V. REDDY K & ASSOCIATES**  
 Company Secretaries

**C V REDDY K**  
 Company Secretary in Practice  
 M No: 7976  
 CP No: 8998

Place: Hyderabad  
 Date: 02/08/2024



UDIN: 24025995BKASFXF2253

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliances of the conditions of Corporate Governance by TERA SOFTWARE LIMITED (“the Company”) for the financial year ended 31 March, 2024, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ('Listing Regulations').
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.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. 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 under review.
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

**CA G.V. Ramana**  
Partner  
Membership No: 025995

Place: Hyderabad  
Date: 3rd August, 2024

{Issued in accordance with provisions of Regulation 17(8) of SEBI  
(Listing Obligations & Disclosure Requirements), Regulations, 2015}

To  
Board of Directors  
Tera Software Limited

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

We, Tummala Gopichand, Chairman & Managing Director and Doddi Pravallika, 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, 2024 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, 2024 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.

**Doddi Pravallika**  
Chief Financial Officer

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

Date: 27/05/2024  
Place: Hyderabad

**Annexure - II**
**Report on Corporate Social Responsibility as per Rule 8 of Companies  
(Corporate Social Responsibility Policy) Rules, 2014**
**For the Financial Year 2023-24**
**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 CSR activities as of 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 setup 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)	1	1
2	Sri. A. Divakar	Member (Non-Executive & Independent Director)	1	1
3	Sri. T. Gopichand	Member (Chairman & Managing Director)	1	1

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

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: 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 Policy) Rules, 2014 and amount required for set off for the financial year, if any

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

6. Average net profit of the company as per section 135(5): Loss of Rs. 4,09,49,007/-

Particulars	For the Financial year ended 31st March		
	2023	2022	2021
Net Profit in Rs.	(13,10,53,342)	(82,30,756)	1,64,37,077
Average Net profit for the preceding three financial years in Rs.	(4,09,49,007)		

- 7
- (a) Two percent of average net profit of the company as per section 135(5): NIL
  - (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): NIL

8 (a) CSR amount spent or unspent for the financial year 2023-24:

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
37,376/-	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent in the FY 2023-24 against ongoing project for the financial year 2022-23:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in `)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
1	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	7,12,376/-	6,75,0000	37,376/- transferred on 21-04-2023	Yes	NA	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2023-24:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
NIL									

(d) Amount spent in Administrative Overheads: 37,376/-

(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.	2021-22	37,376/-	6,75,000/- spent in the FY 2022-23. 7,96,076/- spent in the FY 2023-24	NA	Nil	NA	37,376/- (spent in the FY 2023-24)
2.	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	7,58,700/- (spent in the month of April 2023)
3.	2019-20	12,08,715/-	12,08,715/- spent in the FY 2021-22	NA	Nil	NA	Nil

(b) Details of CSR amount spent in the financial year 2023-24 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	14,33,700/-	7,58,700/-	14,33,700/- (excluding Admn. Expenses)	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):

- Date of creation or acquisition of the capital asset(s): Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- 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) – There is no requirement to spend in the FY 2023-24 towards CSR activities due to the preceding three years average net profit is in loss.

By Order of the Board of Directors

Place: Hyderabad  
Date: 03/08/2024

**Doddi Pravallika**  
Chief Financial Officer

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

**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, 2024.

**For Tera Software Limited**

Place: Hyderabad  
Date: 3rd August, 2024

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

**Annexure G**

**Statement under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2023-24:

Name of the Director	Designation	Ratio to Median Remuneration of the employees
Sri. T. Gopichand	Chairman and Managing Director	83.16
Sri. T. Madhu Mitra	Whole-time Director	13.86

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24:

Name of the Director/KMP	Designation	Percentage increase in remuneration
Sri. T. Gopichand	Chairman and Managing Director	28.57
Sri. T. Madhu Mitra	Whole-time Director (previously worked as Vice President up to 16/08/2023))	31.36 (appointed as WTD on 17/08/2023)
Sri. Ch. Mallikarjuna	Company Secretary	8.00
Kum. D. Pravalika	Chief Financial Officer (previously worked as Accounts Manager up to 30/12/2023)	36.00 (appointed as CFO on 31/12/2023)

- (iii) The percentage increase in the median remuneration of employees in the financial year 2023-24:  
The median remuneration of employees of the Company as on 31 March, 2024 is Rs. 1,29,864/-. In the financial year, there was an increase of 6.43% in the median remuneration of employees.
- (iv) The number of permanent employees on the rolls of company as on 31 March, 2024:  
There were 899 permanent employees on the rolls of Company as on 31 March, 2024.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
The Average Annual increase was around 1.49%. The average increase in managerial remuneration was 28.57% (taken into account MD's salary only as WTD appointed on 17/08/2023).  
Justification: Increase in remuneration is decided based on the individual performance, inflation, prevailing industry trends and benchmarks during the year under review.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the company:  
It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.  
Explanation.- For the purposes of this rule.- (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;
- (ii) if there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS PROFILE

#### Overview:

Tera Software Limited founded in the year 1994 and has emerged as one of India's leading IT and ITeS players in the e-Governance Industry.

Tera Software Limited (TSL) 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.

### 2. BUSINESS ENVIRONMENT

The rise in Engineering Research & Development (ER&D) intensity across sectors is driving new growth opportunities. National Association of Software and Service Companies (NASSCOM) estimates that total global ER&D spend could well exceed USD 3 Trillion by 2030. With the Automotive, Software, and Healthcare & Medical Devices sectors set to account for about half of this spending, high growth areas like Telecom, Semiconductors and Software will continue to register double-digit Compound Annual Growth Rate (CAGR) from 2023 to 2030 and drive the next frontiers of growth.

Stickier ER&D spending, led by continued investments in future products and a sustained rise in demand for digital engineering and offshoring services, is expected to drive the growth of the Indian ER&D sector as well.

#### a) INDUSTRY STRUCTURE AND DEVELOPMENTS

Current NASSCOM estimates indicate the US to be the largest ER&D spender at about USD 550 Billion, trends suggest a sustained rise of markets across the EU and Asia-Pacific regions.

Estimates from Zinnov also corroborate this trend, and further predict a 2X rise in Digital Engineering spends by 2026, at over USD 1.6 Trillion.

The sustained rise in digital ER&D spending is expected to be shaped by the growing global attention on the development and adoption of Generative (Gen) AI. Estimates indicate that the industry attracted funding to the tune of approximately USD 14 Billion between 2018-2022, a rate that is only set to accelerate with the accelerated roll out of Gen AI applications across segments.

India is ranked 5th in the world's GDP rankings in 2024. Annual GDP Growth Rate: 7%. India's economy boasts diversity and swift growth, fuelled by key sectors such as information technology, services, agriculture, and manufacturing. The nation capitalises on its broad domestic market, a youthful and technologically adept labour force, and an expanding middle class.

India has emerged as the leading data centre hub in the Asia-Pacific region (excluding China), surpassing established players like Singapore, Australia, South Korea, Japan, and Hong Kong in installed capacity. This reflects the escalating demand for data services in one of the world's fastest-growing major economies.

India's overall public cloud services market is projected to hit US \$13 billion by 2026, expanding at a CAGR of 23.1% in 2021-26.

The Telecom industry in India is the second largest in the world with a subscriber base of 1.094 Bn as of May 2024 (wireless + wireline subscribers). India has an overall tele-density of 85.87%, of which, the tele-density of the rural market, which is largely untapped, stands at 59.59% while the tele-density of the urban market is 133.41 %.

BharatNet, one of the biggest rural telecom projects in the world, implemented in a phased manner to all Gram Panchayats (approximately 2.5 lakh) in the country for providing non-discriminatory access to broadband connectivity to all the telecom service providers. Objective is to enable access providers like mobile operators, Internet Service Providers (ISPs), Cable TV operators, content providers to launch various services such as applications like e-health, e-education and e-governance in rural and remote India. The project has been approved by Union Cabinet on 25.10.2011. The Telecom Commission approved to implement the project in three phases.

So far, 2,13,570 Gram Panchayats are connected through the BharatNet project and 6,89,065 Km of OFC has been laid. Additionally, 10,56,968 Fibre-To-The-Home (FTTH) connections are commissioned and 104,574 Wi-Fi hotspots are installed to ensure last-mile connectivity. (as on 15.07.2024).

The total funding of the BharatNet (Phase-I and Phase-II), approved by the Cabinet, is Rs 42,068 crores (exclusive of GST, Octroi and local taxes).

**b) OPPORTUNITIES AND THREATS**

As the dynamics of the global ER&D landscape evolve, we must continue to reassess its key drivers, including the continued availability of talent, new partnerships and alliances, and revitalized compliance with laws and regulations. This would help ensure continued business success in a dynamic ecosystem.

**c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

- (i) The Technical Division revenue increased (3.56%) to Rs.6,016.15 Lakhs in FY 2023- 24 as against Rs.5,809.57 Lakhs in FY 2022-23.
- (ii) The Projects Division earned revenue of Rs.2,432.10 Lakhs in FY 2023-24 as against Rs.7,270.45 Lakhs in FY 2022-23.

**d) OUTLOOK**

The Company's journey ahead is being enabled by a focused realignment with new opportunities around AI, SDX, and Cybersecurity. As emerging technologies reshape the world around us, TSL believes that the future will be defined by a twin-track approach to growth. This involves leveraging new partnerships and alliances, while focusing on upskilling and cross-skilling our talent pool for unlocking new growth avenues. The Company is also working for developing new age and future-proof technology solutions and offerings.

**ACCOMPLISHMENTS OF TERA SOFTWARE**

- TSL 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.
- 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. Towards Bharatnet project creation of telecom infrastructure required for providing broadband connectivity to all the Gram Panchayats in the country and facilitating non-discriminatory access to service providers, for provisioning of broadband services in rural areas, the Central Government made budget provision of Rs. 8,500 Crores for FY 2024-25. This enhances the business opportunities to your company to build infra and maintenance services.
- 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.
- TSL will be delivering the Maintenance services for Bharat net projects for next 6 Years to upkeep the network for delivery of services.
- TSL is more focused in the Broad Band services which is very essential post corona Pandemic to deliver on line services. Tera Soft is currently established 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.
- TSL 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.

**e) RISKS AND CONCERNS**

TSL has implemented a robust Risk Management Framework (RMF) for the assessment, monitoring, and treatment of enterprise level risks. The philosophy of risk management is to enable the achievement of the company's strategic objectives by identifying, analyzing, assessing, mitigating, monitoring, preventing, and governing any risks or potential threats.

For effective rollout of risk management program, risks assessments are performed across multiple levels viz. enterprise, business unit, customer account and project levels.

Our approach to risk management is designed to provide reasonable assurance that the risks facing the business are being assessed and mitigation plans are deployed, and all information that may be required to be disclosed is reported to senior management and Board Committees including, where appropriate, the Managing Director, Chief Financial Officer, Audit Committee.

**f) INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

The Company has laid down internal financial controls as detailed in the Companies Act, 2013. The design and operating effectiveness of controls is reviewed by an in-house Internal control team. The statutory auditors have also independently audited the internal financial controls over financial reporting as of 31 March, 2024 and have opined that such controls were operating effectively.

The Company has an Audit Committee of the Board of Directors, the details of which have been provided in the corporate governance report. The Audit Committee reviews audit reports submitted by the Independent Internal auditors on quarterly basis.

**g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

This part of the Management Discussion and Analysis refers to the consolidated financial statements of TSL and its subsidiaries.

The financial statements and related notes to the consolidated accounts of TSL for the year ended 31 March, 2024 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, and read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Refer to the Standalone and Consolidated financial statements in Annual Report for detailed schedules and notes.

The Company has earned a total revenue of Rs. 8,841.13 Lakhs in FY 2023-24 as against Rs.15,595.96 Lakhs in FY 2022-23 and Net Profit of Rs.462.25 Lakhs (5.23%) for FY 2023-24 as against Net Profit of Rs.342.93 Lakhs (2.19%) for FY 2022-23. Your Company has achieved this by reduction of Financial Costs.

**h) 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 March, 2024 is 899.

**i) 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	31-03-2024	31-03-2023	VARIANCE
1	Current Ratio	Current assets	Current liabilities	1.95	1.93	1.04%
2	Debt-Equity Ratio	Total Debt	Shareholders' equity	0.05	0.04	25.00%
3	Return on equity Ratio	Net Profit after tax	Equity	0.03	0.03	0.00%
4	Inventory turnover Ratio	Turnover	Closing Inventory	1,789.88	1,065.15	68.04%
5	Debtors (Trade Receivables) turnover ratio	Turnover	Closing Receivables	0.65	0.98	-33.67%
6	Net profit Ratio	Net profit after tax	Net Sales	0.04	0.03	33.33%
7	Interest coverage Ratio	EBITDA	Interest expense	4.17	2.71	53.87%
8	Operating Profit Margin Ratio	Operating Profit	Net Sales	0.07	-0.2	-135.00%

**Explanation:**

**1. Net profit Ratio**

A high net profit margin means that a company is able to effectively control its costs and/or provide goods or services at a price significantly higher than its costs.

**2. Interest coverage Ratio**

During the Year, the company had a lower utilization of funds due to drop in sale of projects, resulting in a reduction in the interest component. As a result, the company's Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) decreased compared to the Previous Year.

**3. Operating Profit Margin Ratio**

The Operating Profit Margin ratio increased during the year due to lower utilisation of funds, which made the interest cost to reduce and increase the operating profit.

**4. Inventory turnover Ratio**

There is a decrease in the amount of inventory in hand which made inventory turnover ratio to increase.

**5. Debtors (Trade Receivables) turnover ratio**

Debtors (Trade Receivables) turnover ratio is experienced a decrease indicating a slower pace of collecting outstanding receivables.

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

**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 2023-24.

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Sri. T. Gopichand Chairman & Managing Director	a) Remuneration paid b) Unsecured Loans c) Interest on Unsecured Loans	NA	In the normal course of business	27-05-2023	Nil
2.	Smt. T. Pavana Devi, Director	a) Sitting Fees b) Unsecured Loans c) Interest on Unsecured Loans	NA	In the normal course of business	27-05-2023	Nil
3.	Sri. T. Bapaiah Chowdary , Director and Proprietor of M/s. Raja Enterprises	a) Sitting Fees	NA	In the normal course of business	27-05-2023	Nil
4.	Sri. T. Madhu Mitra, Whole-Time Director	Salary	NA	In the normal course of business	27-05-2023	Nil
5.	Smt. T. Vindhya W/o Sri. T. Madhu Mitra	Salary	NA	In the normal course of business	27-05-2023	Nil
6.	Sri. T. Girish (Son of Sri. T. Bapaiah Chowdary)	Salary	NA	In the normal course of business	27-05-2023	Nil
7.	Sri. O. Babu Reddy, CFO (up to 30/06/2023)	Salary	NA	In the normal course of business	27-05-2023	Nil
8.	Kum. D. Pravallika, CFO (from 31/12/2023)	Salary	NA	In the normal course of business	27-05-2023	Nil
9.	Sri. Ch. Mallikarjuna, Company Secretary	Salary	NA	In the normal course of business	27-05-2023	Nil

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

UDIN: F007976F000352971

Form No.MR-3

**SECRETARIAL AUDIT REPORT****For the financial year ended on 31.03.2024****[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, 2024 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, 2024 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: 11.05.2024

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.

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**'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.45. 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 are 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: 11.05.2024

**UDIN: F007976F000352892**

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, 2024**

**[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,
- e. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2024 (“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 Practising 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.

**CS C.V. REDDY K**

**For C. V. REDDY K & ASSOCIATES**

Company Secretaries

FCS No.: 7976

C P No.: 8998

Place: Hyderabad  
 Date: 11-05-2024

**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.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/guidelines issued by SEBI.</li> </ul>	Yes	--
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• 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.</li> </ul>	Yes	--
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	--
5.	To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	No material subsidiary company Yes	The Company is having one subsidiary
6.	Preservation of Documents: 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.	Yes	--
7.	Performance Evaluation: 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.	Yes	--
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (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.	Yes	--
9.	Disclosure of events or information: 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.	Yes	--
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	--
11.	Actions taken by SEBI or Stock Exchange(s), if any: 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.	Yes	--
12.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	--

**CS C.V. REDDY K**

**For C. V. REDDY K & ASSOCIATES**

Company Secretaries

FCS No.: 7976

C P No.: 8998

Place: Hyderabad  
Date: 11-05-2024



**Form AOC - 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
subsidiaries or associate companies or Joint ventures**

**Part - A Subsidiaries**

(Amounts in Rs.)

1	Name of the subsidiary	TS Innovations Private Limited
2	The date since when subsidiary was acquired	18-07-2023
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	-
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	-
5	Share capital	1,00,000
6	Reserves and surplus	(49,000)
7	Total assets	63,00,000
8	Total Liabilities	63,00,000
9	Investments	-
10	Turnover	-
11	Profit before taxation	(49,000)
12	Provision for taxation	-
13	Profit after taxation	(49,000)
14	Proposed Dividend	-
15	Extent of shareholding (in percentage)	74%

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

**Part B**

**Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related  
to Associate Companies and Joint Ventures**

1	Name of Associates or Joint Ventures	Nil
2	Latest audited Balance Sheet Date	NA
3	Date on which the Associate or Joint Venture was associated or acquired	NA
4	Shares of Associate or Joint Ventures held by the company on the year end	NA
5	No.	NA
6	Amount of Investment in Associates or Joint Venture	NA
7	Extent of Holding (in percentage)	NA
8	Description of how there is significant influence	NA
9	Reason why the associate/Joint venture is not consolidated. Net worth attributable to shareholding as per latest audited Balance Sheet	NA
10	Profit or Loss for the year	NA
11	i. Considered in Consolidation	NA
12	ii. Not Considered in Consolidation	NA

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board

Place: Hyderabad  
Date : 3rd August, 2024

**T. Madhu Mitra**  
Whole-Time Director  
DIN: 07124242

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

## 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, 2024, 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 gives the information required by the Companies Act, 2013 (the "Act") in the manner so required and gives 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 group as at March 31, 2024 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 ("SA"s) specified under section 143 (10) of the Companies Act, 2013. 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 for 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recognition and Measurement of Expected Credit Loss:</b></p> <p>The estimation of expected credit losses on trade receivables is identified as a key audit matter due to its significance in assessing the financial health of the company and its impact on reported earnings and financial position. This matter is particularly important given the inherent subjectivity involved in forecasting future credit losses.</p>	<p>Our audit procedure in respect of this area included:</p> <p><b>Risk Assessment:</b> We assessed the risk of material misstatement in the recognition and measurement of Expected credit Loss, considering the inherent complexities in the industry's revenue recognition and the potential impact of economic factors on customers' ability to pay.</p> <p><b>Evaluation of Internal Controls:</b> We evaluated the design and implementation of internal controls over the estimation of Expected Credit Loss by testing the reasonableness of key assumptions and ensuring the accuracy and completeness of underlying data such as historical loss rates, economic indicators, and customer specific rates including the company's policies and procedures for assessing credit risk, monitoring customer payments, and determining appropriate provisions for doubtful accounts.</p> <p><b>Testing of Bad Debt Provision (i.e., Expected Credit Loss):</b> We performed substantive testing procedures to validate the completeness and accuracy of the Expected Credit losses. These procedures include the following:</p> <ul style="list-style-type: none"> <li>❖ Reviewing the ageing of accounts receivable, analyzing historical collection patterns.</li> <li>❖ Examining supporting documents including invoices, contracts, and communications with the customers along with legitimacy of such records.</li> <li>❖ Assessing the customer's creditworthiness by considering factors such as payment history, Financial Stability &amp; credit ratings.</li> <li>❖ The reasonableness of assumptions and effective discount rate used in the estimation process.</li> </ul>

		<p>We also performed Sensitivity analysis to evaluate the impact of different scenarios to the allowance for expected credit losses</p> <p><b>Management Representations:</b> We obtained written representations from management regarding the completeness and accuracy of information provided to us concerning the Expected Credit Loss.</p> <p>Our audit procedures provided us with sufficient appropriate audit evidence to form an opinion on the reasonableness of the Expected Credit Allowance and its impact on the financial statements.</p>
2	<p><b>Provisions and Contingent Liabilities and Evaluation of uncertain tax positions:</b></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 preparation of 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 with 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 and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 Companies Act, 2013, 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 and Board of Directors.
- ❖ Conclude on the appropriateness of managements and Board of Directors 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. Standalone 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 them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and returns.
  - d. In our opinion, the aforesaid standalone financial statements comply with the IndAS Specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e. There are no adverse observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company.

- f. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements as at 31st March 2024.
  - b. The Group has not made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - c. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. The management has represented that, to the best of its knowledge and belief, that
    - i. 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;
    - ii. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity(ies), including foreign entities ("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;
    - iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
  - e. In our opinion and according to the information and explanations given to us, the company has not declared any dividend during the year.
  - f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023;  
The Company, in respect of financial year commencing on or after the 1st April, 2023, has used Tally Prime Accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in respect of whether the the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For Narven Associates**  
Chartered Accountants  
FRN : 0005905S

**CA. G.V. RAMANA**  
Partner  
Membership No: 025995  
UDIN: 24025995BKASVC3933

Place : Hyderabad  
Date: 27.05.2024

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

(Referred to 'Report on Other Legal and Regulatory Requirements' section of our report 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. (i) 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.
  - (ii) The Company does not have any Intangible Assets during the year. Hence reporting under clause 3(i)(B) is not applicable.
  - b. The Company has a program of physical verification to cover all items of Property, Plant and Equipment in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. 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. Based on our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.
  - e. Based on our examination of the records of the company, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2024 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. Based on our examination of the records of the company, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- iv. Based on our examination of the records of the company, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not given any loans or provided any guarantee or given any security or made any investments as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
- v. Based on our examination of the records of the company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- 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, 2024 for a period of more than six months from the date they became payable.

- 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	99,40,109	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
19	GST	GST & Interest	2,58,90,000	April - 2020 to March-2021	Writ Petition filed at AP High court
20	GST	GST & Interest & Penalty	20,58,23,935	July - 2019 to Aug-2019	Writ Petition filed at AP High court
21	GST	GST & Interest & Penalty	2,21,41,396	FY 2017-2018	Writ Petition filed at Jharkhand High court
22	GST	GST & Interest & Penalty	1,26,81,348	FY 2018-2019	Writ Petition filed at Jharkhand High court
23	GST	GST & Interest & Penalty	4,55,30,092	FY 2019-2020	Writ Petition filed at Jharkhand High court

24	GST	GST & Interest & Penalty	4,70,19,652	FY 2020-2021	Writ Petition filed at Jharkhand High court
25	GST	GST & Interest & Penalty	5,02,19,112	FY 2021-2022	Writ Petition filed at Jharkhand High court
26	GST	GST & Interest & Penalty	8,14,29,850	FY 2022-2023	Writ Petition filed at Jharkhand High court

- viii. Based on our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) Based on our examination of the records of the company, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.
- (b) Based on our examination of the records of the company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) Based on our examination of the records of the company, we report that no funds raised on short term basis have been utilised for long term purposes.
- (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 any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment / private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on our examination of the records of the company, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order is not applicable.
- xiii. Based on our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (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 and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.



- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately Preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year, Accordingly, Paragraph 3(xviii) of the order is not applicable.
- 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. (a) In our opinion and according to the information and explanations given to us, there is no amount remaining unspent to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act; Accordingly, clause 3(xx)(b) of the Order is not applicable.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

**For Narven Associates**  
Chartered Accountants  
FRN : 0005905S

**CA. G.V. RAMANA**  
Partner  
Membership No: 025995  
UDIN: 24025995BKASVC3933

Place : Hyderabad  
Date: 27.05.2024

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT of on the standalone IND AS Financial Statements of M/s TERA SOFTWARE LIMITED for the year ended 31st March,2024.**

(Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Tera Software Limited of even date)

**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, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 “Guidance Note”).

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

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone Financial Statements were established and maintained and whether 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 Standalone 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 control with reference to financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control with reference to 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2024, 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

FRN : 0005905S

**CA. G.V. RAMANA**

Partner

Membership No: 025995

UDIN: 24025995BKASVC3933

Place : Hyderabad

Date: 27.05.2024

**STANDALONE BALANCE SHEET AS AT 31st MARCH 2024**

(Rs. In Lakhs)

Particulars	Note	For the Year Ended	
		As at 31-03-2024 Audited	As at 31-03-2023 Audited
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
(i) Property, Plant & Equipment	1	<b>2,659.55</b>	2,674.51
(ii) Financial Assets			
(a) Investment	2	<b>0.74</b>	-
(b) Other Financial Assets	2	<b>270.30</b>	245.57
(iii) Other non current assets	3	<b>492.44</b>	504.80
(iv) Deferred tax Asset (net)	4	<b>213.14</b>	284.11
Total non-current assets		<b>3,636.17</b>	3,708.99
<b>2. Current assets</b>			
(i) Inventories	5	<b>4.72</b>	12.28
(ii) Financial Assets			
(a) Trade receivables	6	<b>12,420.20</b>	12,800.19
(b) Cash and Cash Equivalents	7	<b>2,027.57</b>	1,600.81
(c) Other financial assets	8	<b>1,812.12</b>	659.26
(iii) Other current assets	9	<b>769.18</b>	944.61
Total current assets		<b>17,033.79</b>	16,017.15
<b>TOTAL</b>		<b>20,669.96</b>	19,726.15
<b>II EQUITY AND LIABILITIES</b>			
<b>A Equity</b>			
(a) Equity Share Capital	10	<b>1,251.19</b>	1,251.19
(b) Other Equity	11	<b>9,997.91</b>	9,535.65
<b>Total Equity</b>		<b>11,249.10</b>	10,786.84
<b>B Liabilities</b>			
1. Non-current liabilities			
(i) Financial liabilities			
(a) Lease Liabilities		-	-
(b) Borrowings	12	<b>538.29</b>	483.74
(ii) Provisions	13	<b>152.44</b>	166.94
Total non-current liabilities		<b>690.73</b>	650.68
2. Current liabilities			
(i) Financial liabilities			
(a) Lease Liabilities			
(b) Borrowings	14	<b>2,807.58</b>	1,931.51
(c) Trade payables	15		
Total Outstanding dues to Micro enterprises and small enterprises		-	145.22
Total Outstanding dues to creditors other than Micro enterprises and small enterprises		<b>4,166.21</b>	4,441.84
(d) Other financial liabilities	16	<b>749.84</b>	821.00
(ii) Other current liabilities	17	<b>787.95</b>	904.92
(iii) Provisions	18	<b>218.55</b>	44.23
Total current liabilities		<b>8,730.13</b>	8,288.72
<b>TOTAL</b>		<b>20,669.96</b>	19,726.15

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

As per our report of even date attached

**For Narven Associates**  
 Chartered Accountants  
 FRN: 005905S

**T. Madhu Mitra**  
 Whole Time Director  
 DIN: 07124242

**T. Gopichand**  
 Chairman & Managing Director  
 DIN: 00107886

**CA. G V Ramana**  
 Partner  
 M.No: 025995

**D. Pravallika**  
 Chief Financial Officer

**Ch. Mallikarjuna**  
 Company Secretary  
 M.No. A47545

 Place: Hyderabad  
 Date: 27-05-2024

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD/YEAR ENDED**

(Rs. In Lakhs)

Particulars	Note	For the Year Ended	
		<b>31-03-2024</b> Audited	31-03-2023 Audited
<b>Income</b>			
I Revenue from operations	19	<b>8,448.25</b>	13,080.03
II Other income	20	<b>392.88</b>	2,515.93
III <b>Total Income (I+II)</b>		<b>8,841.13</b>	15,595.96
<b>Expenses</b>			
IV Purchases	21	-	-
Change in inventories	22	<b>7.56</b>	261.71
Technical & Operation expenses	23	<b>5,568.69</b>	8,456.13
Employee benefit expenses	24	<b>1,856.68</b>	1,751.93
Finance costs	25	<b>285.86</b>	636.20
Depreciation and amortization expenses	1	<b>14.98</b>	23.49
Other expenses	26	<b>354.67</b>	3,600.94
<b>Total Expenses (IV)</b>		<b>8,088.44</b>	14,730.40
V <b>Profit/(Loss) before Exceptional items and tax (III-IV)</b>		<b>752.69</b>	865.56
VI Exceptional items		<b>139.47</b>	-
VII <b>Profit/(Loss) before tax (V-VI)</b>		<b>613.22</b>	865.56
VIII Tax expense			
1) Current tax		<b>205.72</b>	190.37
2) Earlier years Taxes		<b>(31.76)</b>	276.53
3) Deferred tax (Net)		<b>94.61</b>	52.08
IX <b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>344.65</b>	346.58
X Profit/(Loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII <b>Profit/(Loss) for the period (IX-XII)</b>		<b>344.65</b>	346.58
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		<b>93.95</b>	(4.88)
(ii) Income tax relating to items that will be reclassified to profit or loss		<b>(23.65)</b>	(1.23)
XV Total Comprehensive income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive income for the period		<b>462.25</b>	342.93
XVI Earnings per equity share Rs10/- (for continuing operations)			
1) Basic		<b>2.75</b>	2.77
2) Diluted		<b>2.75</b>	2.77

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

As per our report of even date attached

**For Narven Associates**

Chartered Accountants  
FRN: 005905S

**CA. G V Ramana**

Partner  
M.No: 025995

Place: Hyderabad  
Date: 27-05-2024

**T. Madhu Mitra**

Whole Time Director  
DIN: 07124242

**D. Pravallika**

Chief Financial Officer

**T. Gopichand**

Chairman & Managing Director  
DIN: 00107886

**Ch. Mallikarjuna**

Company Secretary  
M.No. A47545

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024 and 31.03.2023**

(Rs. In Lakhs)

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
<b>A. Cash flow from operating activities</b>		
<b>Net Profit / (Loss) before tax as per Profit &amp; Loss Statement</b>	<b>613.22</b>	865.56
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>14.98</b>	23.49
Sundry Credit Balances Written Back	-	1,421.00
Interest Income	<b>(65.47)</b>	(40.16)
Bad Debts Written Off	<b>57.08</b>	3,333.39
Finance Cost	<b>285.86</b>	636.20
Advances Written off	-	347.53
Exceptional Item	<b>139.47</b>	-
<b>Changes in Assets and Liabilities:</b>		
Trade receivables	<b>322.91</b>	2,222.27
Other Financial Assets and Other Assets	<b>(24.73)</b>	760.33
Other Non Current Assets	<b>12.36</b>	(42.13)
Other Financial Assets	<b>(1,152.86)</b>	-
Other Current Assets	<b>175.43</b>	(1,044.83)
Inventories	<b>7.56</b>	261.71
Trade Payables	<b>(420.85)</b>	(4,954.35)
Long Term Provisions	<b>(13.92)</b>	26.54
Other Current Liabilities	<b>(116.97)</b>	(159.95)
Short Term Provisions	<b>174.32</b>	(65.92)
Other Financial Liabilities	<b>(71.16)</b>	382.32
Cash generated from operations	<b>(62.77)</b>	3,973.00
Income tax paid	<b>205.72</b>	575.94
<b>Net cash flow from operating activities (A)</b>	<b>(268.49)</b>	4,548.94
<b>B. Cash flow from investing activities</b>		
Property, Plant & Equipment	<b>(14.98)</b>	(23.49)
Sale of Land	-	306.60
Interest Income	<b>65.47</b>	40.15
<b>Net cash flow from Investing activities (B)</b>	<b>50.49</b>	323.26
<b>C. Cash flow from financing activities</b>		
Short Term Borrowings(Net)	<b>876.07</b>	(3,687.36)
Long Term Borrowings	<b>54.55</b>	48.44
Interest Paid	<b>(285.86)</b>	636.20
<b>Net cash flow from Financing activities (C)</b>	<b>644.76</b>	(3,002.72)
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>426.76</b>	1,870.09
<b>Opening balance of Cash and cash equivalents</b>	<b>1,600.81</b>	1,003.11
<b>Closing balance of Cash and cash equivalents</b>	<b>2,027.57</b>	2,873.20
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	<b>9.47</b>	9.40
Balances with Banks		
- On Current Accounts	<b>1,512.43</b>	1,009.03
- On Deposit Accounts	<b>505.67</b>	582.38
<b>Cash and cash Equivalent as per Note 7</b>	<b>2,027.57</b>	1,600.81

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

As per our report of even date attached

**For Narven Associates**

Chartered Accountants  
FRN: 005905S

**CA. G V Ramana**

Partner  
M.No: 025995

Place: Hyderabad  
Date: 27-05-2024

**T. Madhu Mitra**

Whole Time Director  
DIN: 07124242

**D. Pravallika**

Chief Financial Officer

**T. Gopichand**

Chairman & Managing Director  
DIN: 00107886

**Ch. Mallikarjuna**

Company Secretary  
M.No. A47545

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**
**1. PROPERTY, PLANT AND EQUIPMENT**

(Rs. In Lakhs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 1-Apr-23	Additions during the year/period	Deletions during the year/period	Upto 31-Mar-24	As at 31-Dec-23	For the Year/period	Deletions during the year/period	Upto 31-Mar-24	As at 31-Mar-24
<b>TANGIBLE</b>									
Land	2,229.66	-	-	<b>2,229.66</b>	-	-	-	-	<b>2,229.66</b>
Buildings	558.09	-	-	<b>558.09</b>	137.31	2.46	-	<b>139.87</b>	<b>418.54</b>
Plant and Equipment	329.88	-	-	<b>329.88</b>	329.88	-	-	<b>329.88</b>	-
Furniture and Fixtures	123.64	-	-	<b>123.64</b>	120.67	0.23	-	<b>120.90</b>	<b>2.75</b>
Vehicles	99.79	-	-	<b>99.79</b>	95.17	0.33	-	<b>95.50</b>	<b>4.39</b>
Office equipment	25.98	-	-	<b>25.98</b>	25.29	0.20	-	<b>25.49</b>	<b>0.48</b>
Electrical & Fixtures	105.91	-	-	<b>105.91</b>	101.92	0.38	-	<b>102.29</b>	<b>3.72</b>
Capital Assets on Projects Division	1082.88	-	-	<b>1,082.88</b>	1082.88	-	-	<b>1,082.88</b>	-
<b>Total</b>	<b>4,555.84</b>	-	-	<b>4,555.84</b>	<b>1893.12</b>	<b>3.61</b>	-	<b>1,896.83</b>	<b>2,659.55</b>
									<b>2,674.60</b>

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	As at <b>31-03-2024</b> <b>Audited</b>	As at 31-03-2023 Audited
<b>FINANCIAL ASSETS</b>		
<b>2 OTHER FINANCIAL ASSETS</b>		
<b>Investment</b>		
TS Innovations Pvt.Ltd	<b>0.74</b>	-
Security and other Deposits	<b>270.30</b>	245.57
<b>Total</b>	<b>271.04</b>	245.57
<b>3 OTHER NON CURRENT ASSETS</b>		
(Unsecured, Considered good)		
Bank deposits maturity of morethan 12 months	<b>64.05</b>	76.41
BG Claim Under Protest	<b>428.39</b>	428.39
<b>Total</b>	<b>492.44</b>	504.80
<b>4 Deferred tax Asset (net)</b>		
On account of Fixed Assets	<b>3.25</b>	91.27
On account of Income tax disallowances	<b>209.89</b>	192.84
<b>Total</b>	<b>213.14</b>	284.11
<b>5 INVENTORIES</b>		
(a) Finished Goods	<b>4.72</b>	12.28
(b) Consumables	-	-
(c) Work-in-progress	-	-
<b>Total</b>	<b>4.72</b>	12.28
<b>6 Trade receivables</b>		
a) Considered Good - Secured		
b) Considered Good - Unsecured	<b>13,063.89</b>	13,393.89
c) Trade Receivables which have significant increase in credit risk		
d) Trade Receivables credit Impaired		
Less: Credit Loss Allowance	<b>(643.69)</b>	(593.70)
<b>Total</b>	<b>12,420.20</b>	12,800.19
<b>7 Cash and Cash Equivalent</b>		
(i) Cash on hand	<b>9.47</b>	9.40
(ii) Balances with Banks		
In current accounts	<b>1,512.43</b>	1,009.03
In Dividend account	-	2.43
In Marging Money Deposits	<b>505.67</b>	579.95
<b>Total</b>	<b>2,027.57</b>	1,600.81
<b>8 Other financial assets</b>		
Accrued Interest	<b>18.36</b>	26.35
Unbilled Receivables	<b>1,793.76</b>	632.91
<b>Total</b>	<b>1,812.12</b>	659.26
<b>9 OTHER CURRENT ASSETS</b>		
(Unsecured and considered good)		
(a) Advance to Suppliers / Service Providers	<b>386.34</b>	378.38
(b) Staff Advances	<b>4.66</b>	1.70
(c) Advance for Expenses	<b>1.73</b>	0.72
(d) Prepaid expense	<b>46.32</b>	118.26
(e) Balances with government authorities	<b>326.60</b>	445.55
(f) Rent Receivable	<b>3.53</b>	-
<b>Total</b>	<b>769.18</b>	944.61

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	Year Ended			
	As at 31-03-2024		As at 31-03-2023	
	Audited		Audited	
	Number of shares	Amount	Number of shares	Amount
<b>AUTHORISED</b>				
Equity Shares of Rs 10/- each	<b>250.00</b>	<b>2,500.00</b>	250.00	2,500.00
ISSUED, SUBSCRIBED & FULLY PAID UP				
Equity shares of Rs 10/- each	<b>125.12</b>	<b>1,251.19</b>	125.12	1,251.19
Total	<b>125.12</b>	<b>1,251.19</b>	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 31st March 2024		As at 31-03-2023	
	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	<b>11.97</b>	<b>9.56%</b>	11.97	9.56%
Tummala Pavana Devi	<b>5.75</b>	<b>4.59%</b>	5.75	4.59%
Tummala Madhu Mitra	<b>8.41</b>	<b>6.72%</b>	8.41	6.72%
Tummala Raja Sekhar	<b>28.25</b>	<b>22.58%</b>	28.25	22.58%

**10.2 Reconciliation of number of shares**

Name of the Shareholder	As at 31-03-2024		As at 31-03-2023	
	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	<b>125.12</b>	<b>1,251.19</b>	125.12	1,251.19
Add: Shares issued during the year	-	-	-	-
	<b>125.12</b>	<b>1,251.19</b>	125.12	1,251.19
Less: Shares bought back during the year	-	-	-	-
	<b>125.12</b>	<b>1,251.19</b>	125.12	1,251.19

1 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.



**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the Year Ended	
	As at <b>31-03-2024</b>	As at 31-03-2023
	<b>Audited</b>	Audited
<b>11 OTHER EQUITY</b>		
<b>Securities Premium</b>		
Figures as at the end of the previous reporting period	<b>851.00</b>	851.00
Additions	-	-
Deductions	-	-
Figures as at the end of current reporting period	<b>851.00</b>	851.00
<b>General Reserve</b>		
Figures as at the end of the previous reporting period	<b>3,834.76</b>	3,834.76
Additions	-	-
Deductions	-	-
Figures as at the end of current reporting period	<b>3,834.76</b>	3,834.76
<b>Surplus in Profit and Loss Account</b>		
Figures as at the end of the previous reporting period	<b>4,849.90</b>	4,807.21
CSR Expenditure	-	(12.45)
IND AS Impact	-	(287.89)
Add: Profit for the year / period	<b>344.65</b>	346.58
Figures as at the end of Reporting period	<b>5,194.55</b>	4,853.55
Other Comprehensive Income / Loss Net of Tax at the end of the previous reporting year		
Other Comprehensive Income / Loss Net of Tax	<b>117.60</b>	(3.65)
Less : Proposed dividend	-	-
: Tax on Proposed dividend	-	-
: Transfer to General Reserves	-	-
	<b>117.60</b>	(3.65)
<b>Total of Reserves and Surplus</b>	<b>9,997.91</b>	9,535.65

**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.

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the Year Ended	
	As at 31-03-2024	As at 31-03-2023
	Audited	Audited
<b>12 Long term borrowings</b>		
<b>Term loans</b>		
From Banks	-	-
From Directors	538.29	483.74
<b>Total</b>	<b>538.29</b>	<b>483.74</b>
<b>13 Long term provisions</b>		
Provision for employee benefits:		
Gratuity	152.44	166.94
<b>Total</b>	<b>152.44</b>	<b>166.94</b>
<b>14 Short term borrowings</b>		
- Secured		
(a) Loans repayable on demand from banks	-	-
(b) Cash credit	2,807.58	1,931.51
(c) Short Term Working Capital Loans from Banks	-	-
(d) Short Term Loan from Others 1 & 2	-	-
<b>Total</b>	<b>2,807.58</b>	<b>1,931.51</b>
<b>15 Trade Payables</b>		
- Total Outstanding dues to Micro enterprises and small enterprises	-	145.22
- Total Outstanding dues to creditors other than Micro enterprises and small enterprises	4,166.21	4,441.84
<b>Total</b>	<b>4,166.21</b>	<b>4,587.06</b>
<b>16 Other financial liabilities</b>		
Retention money	105.68	83.90
Unpaid Dividend	-	2.43
Other Payables	644.16	734.67
Advance for Sale of Asset	-	-
<b>Total</b>	<b>749.84</b>	<b>821.00</b>
<b>17 Other current liabilities</b>		
Advance from customers / Mobilisation advances	-	-
Statutory dues	737.98	720.40
Other payables	49.97	184.52
<b>Total</b>	<b>787.95</b>	<b>904.92</b>
<b>18 Short-term provisions</b>		
Provision for employee benefits:		
Gratuity	12.83	44.23
Provision for Income Tax	205.72	-
Provision- others:		
- Provision for SLA's	-	-
<b>Total</b>	<b>218.55</b>	<b>44.23</b>

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the Year Ended	
	As at	As at
	31-03-2024	31-03-2023
	Audited	Audited
<b>19 REVENUE FROM OPERATIONS</b>		
Sales of Goods	-	
Sale of Services	<b>8,448.25</b>	11,658.06
Operating Revenue	-	1,421.97
<b>Total</b>	<b>8,448.25</b>	<b>13,080.03</b>
<b>20 OTHER INCOME</b>		
Interest income	<b>65.47</b>	40.16
Rental Income	<b>327.41</b>	297.41
OTHER INCOME		2.25
Profit on Sales Asset	-	2,176.11
<b>Total</b>	<b>392.88</b>	<b>2,515.93</b>
<b>21 PURCHASES</b>		
Purchase	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>22 CHANGES IN INVENTORIES</b>		
<b>INVENTORIES AT THE BEGGINING OF THE YEAR</b>		
Opening Stock		
Traded Goods	<b>-101.20</b>	160.51
Consumables	<b>113.48</b>	113.48
<b>Total (A)</b>	<b>12.28</b>	<b>273.99</b>
<b>INVENTORIES AT THE END OF THE YEAR</b>		
Closing Stock		
Traded Goods	<b>4.72</b>	12.28
Consumables	-	-
<b>Total (B)</b>	<b>4.72</b>	<b>12.28</b>
<b>(Increase) / Decrease in Stocks (A) - (B)</b>	<b>7.56</b>	<b>261.71</b>
<b>23 TECHNICAL &amp; OPERATION EXPENSES</b>		
Power and Fuel	<b>25.45</b>	28.49
Software Maintenance Charges	<b>39.72</b>	77.40
Rent Charges	<b>10.67</b>	16.11
Consumables	<b>0.23</b>	1.39
Insurance	<b>7.47</b>	11.82
Repairs & Maintenance & AMC Charges	<b>93.19</b>	62.57
Transport Charges	<b>1.66</b>	9.86
Exchange Fluctuation	<b>4.89</b>	58.06
Subcontract & Other Work Charges	<b>5,385.41</b>	8,190.43
<b>Total</b>	<b>5,568.69</b>	<b>8,456.13</b>
<b>24 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and other benefits	<b>1,688.98</b>	1,592.69
Contribution to Provident Fund & other Funds	<b>165.11</b>	158.09
Staff Welfare Expense	<b>2.59</b>	1.15
<b>Total</b>	<b>1,856.68</b>	<b>1,751.93</b>

**STANDALONE NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the Year Ended	
	As at <b>31-03-2024</b>	As at 31-03-2023
	<b>Audited</b>	Audited
<b>25 FINANCE COST</b>		
Interest	<b>198.23</b>	521.20
Other borrowing cost	<b>87.63</b>	115.00
<b>Total</b>	<b>285.86</b>	636.20
<b>26 OTHER EXPENSES</b>		
Rates and Taxes	<b>30.40</b>	31.33
Office Maintenance	<b>6.32</b>	8.80
Communication Expense	<b>2.60</b>	4.43
Conveyance Expense	<b>22.33</b>	25.05
Travelling, Boarding & Lodging Expense	<b>12.07</b>	15.09
Printing and Stationery	<b>0.95</b>	1.69
Professional & Consultancy Expense	<b>56.23</b>	51.87
Directors' sitting fee	<b>10.11</b>	4.48
Exchange Fluctuations-OTHERS	-	-
Advertisement Expense	<b>1.49</b>	1.85
Advances Written Off	-	206.53
Bad Debts Written off	<b>57.08</b>	3,333.39
Business Promotion	<b>2.84</b>	2.17
Bank Charges and Others	<b>12.76</b>	4.14
CSR Expenses	-	5.33
Interest on late payment on GST / Service Tax	<b>32.18</b>	5.14
Expected Credit Loss	<b>49.99</b>	-179.76
Repairs & Maintenance-Buildings	<b>26.11</b>	4.45
Miscellaneous Expense	<b>17.71</b>	61.46
Payment to Auditors		
Statutory Audit fee	<b>9.00</b>	9.00
Tax Audit Fee	<b>3.00</b>	3.00
Other Services	<b>1.50</b>	1.50
<b>Total</b>	<b>354.67</b>	3,600.94

**Note 26A - Additional Requirements**

Particulars	Explanations
Title deeds of immovable Property not held in name of the Company	All the Immovable properties are held in the name of the Company
Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017	The Company bot revalued PPE during the year
where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person	No such loans granted
Capital Work In Progress (CWIP)	There is no capital work in progress for the period under consideration.
Intangible assets under development:	No such assets
Details of Benami Property held	No auch properties
Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:- (a) whether returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts. (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.	The company has borrowings from banks in the form of Cash Credit (CC) on the basis of security of current assets. returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
Wilful Defaulter	The Company is not a wilful defaulter
Relationship with Struck off Companies	No transactions with struckoff companies
Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.	Registration of charges duly compiled by the company
Compliance with number of layers of companies	Company compiled with number of layers of companies
Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year	Company not invested in crypto currency or virtual currency during the financial year

## 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, 2024 and year ended March 31, 2023 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 Written Down Value 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 quarter 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 capitalized /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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized 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 -2024**

Rupees in Lakhs

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical & Fixtures	Capital Assets on Projects Division
Gross carrying value as at April 1, 2023	2,229.66	558.09	5,462.02	247.30	99.79	29.85	254.46	1,082.88
additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2024</b>	<b>2,229.66</b>	<b>558.09</b>	<b>5,462.02</b>	<b>247.30</b>	<b>99.79</b>	<b>29.85</b>	<b>254.46</b>	<b>1,082.88</b>
Accumulated depreciation as at April 1, 2023	-	129.62	5,462.12	243.64	93.84	28.66	248.79	1,082.88
Depreciation	-	10.25	0.00	0.92	1.34	0.51	1.68	-
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2024</b>	<b>-</b>	<b>139.87</b>	<b>0.00</b>	<b>244.56</b>	<b>95.18</b>	<b>29.17</b>	<b>250.47</b>	<b>1082.88</b>
Carrying value as at April 1, 2023	2,229.66	428.47	0.00	3.66	5.95	1.19	5.67	-
<b>Carrying value as at March 31, 2024</b>	<b>2229.66</b>	<b>418.22</b>	<b>0.00</b>	<b>2.74</b>	<b>4.61</b>	<b>0.68</b>	<b>3.99</b>	<b>-</b>

**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	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2023</b>	<b>2,229.66</b>	<b>558.09</b>	<b>5,462.02</b>	<b>247.30</b>	<b>99.79</b>	<b>29.85</b>	<b>254.46</b>	<b>1,082.88</b>
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	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>129.62</b>	<b>5,462.12</b>	<b>243.64</b>	<b>93.84</b>	<b>28.66</b>	<b>248.79</b>	<b>1,082.88</b>
Carrying value as at April 1, 2022	2,536.95	438.72	1.23	4.57	14.45	1.32	7.36	-
<b>Carrying value as at March 31, 2023</b>	<b>2,229.66</b>	<b>428.47</b>	<b>0.00</b>	<b>3.66</b>	<b>5.95</b>	<b>1.19</b>	<b>5.67</b>	<b>-</b>

**t) Provisions, contingent liabilities and contingent assets**

Provisions are recognized 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 recognized 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, unrealized 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 equities 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 recognized in the financial statement.

**Key sources of estimation uncertainty**

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

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

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

**Recoverability of trade receivables**

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

**Estimation of net realizable value of inventories**

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

**Provision for employee benefits**

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

**Fair value measurements and valuation processes**

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

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

Rs. In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A) Contingent Liability</b>		
<b>(a) Matters under litigation</b>		
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**	<b>428.38</b>	428.38
<b>Service Tax / GST</b>		
Disputed Service Tax Liability for which the company has filed an appeal with CESTAT-Hyderabad	<b>830.97</b>	830.97
<b>Sales Tax/ VAT</b>		
Disputed VAT Liability for which the company has filed an appeal with Hon'ble Kerala Value Added Tax Appellate Tribunal, Kozhikode, Kerala.	<b>166.27</b>	166.27
Disputed VAT liability for which the company has filed an appeal with AP VAT Appellate Tribunal-Visakhapatnam.	<b>173.15</b>	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.	<b>21.45</b>	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.	<b>6.97</b>	6.97
Orders issued by GST Department: Disputed GST Liability including interest for which Company has filed an appeal with Appellate Deputy Commissioner, Tirupathi	<b>555.67</b>	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 challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>99.29</b>	99.29
Orders issued by Assistant Commissioner of Central Tax and Central Excise Amaravathi CGST Division Vijayawada: Disputed Transitional Credit including and Penalty for which Company filed an appeal before Joint/Additional Commissioner of Central Tax (Appeals), Guntur, Andhra Pradesh.	<b>141.67</b>	141.67
Orders issued by GST Department: Disputed GST Liability between GSTR 3B Vs GSTR 1 during the period FY 2020-21 including interest for which Company challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>258.90</b>	-
Orders issued by GST Department: Disputed GST Liability for Assessment of the period Jul 2017 to Aug 2019 including Tax, interest & Penalty for which Company challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>2058.24</b>	-
Orders issued by GST Department: Disputed GST Liability for ITC reversed by the GST authorities due to services taken from (sub-contract) non-existence dealer for the period from FY 2017-18 to FY 2022-23 including Tax, interest & Penalty for which Company challenged through Writ-petitions before Honorable High Court of Jharkhand, Ranchi.	<b>2590.21</b>	-
<b>(b) Impact of pending legal suits in various courts:</b>		
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	<b>Amount not ascertainable</b>	Amount not ascertainable
<b>(c) Guarantees</b>		
Bank Guarantees and Letters of credit issued by banks on behalf of Company	<b>2,969.85</b>	3,046.67
<b>(B) Commitments</b>	<b>NIL</b>	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	2023-24	2022-23
	(Rs in Lakhs)	(Rs in Lakhs)
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at the beginning of the year	<b>180.45</b>	184.55
b. Current Service Cost	<b>19.32</b>	22.83
c. Interest Cost	<b>49.58</b>	12.65
d. Actuarial (Gain)/Loss	<b>(93.95)</b>	(4.88)
e. Past services cost	-	-
f. Benefits Paid	<b>(20.85)</b>	(13.74)
g. Obligation as at the end of the year	<b>165.27</b>	211.17
<b>2. Expense recognized in the period</b>		
a. Current Service Cost	<b>19.32</b>	22.83
b. Interest Cost	<b>49.58</b>	12.65
c. Actuarial(Gain)/Loss	<b>0.00</b>	0.00
d. Past service cost	<b>0.00</b>	0.00
e. Expense recognized during the year	<b>68.90</b>	35.48
<b>3. Assumptions</b>	%	%
a. Discount Rate (per annum) as at the end of the year	<b>7.10</b>	7.37
b. Salary Rise	<b>2.00</b>	2.00
c. Attrition Rate	<b>2.00</b>	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 has 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	31-03-24 (Ind AS-19)		31-03-23 (Ind AS-19)	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	<b>1,65,26,677</b>		2,11,17,021	
Discount Rate (- / + 1%)	<b>1,83,87,776</b>	<b>1,49,48,690</b>	2,25,06,441	1,98,91,148
(% change compared to base due to sensitivity)	<b>(11.3)</b>	<b>9.5</b>	(6.6)	5.8
Salary Growth Rate (- / + 1%)	<b>1,43,23,155</b>	<b>1,91,86,214</b>	1,84,92,289	2,42,88,468
(% change compared to base due to sensitivity)	<b>13.3</b>	<b>(16.1)</b>	12.4	(15.00)
Attrition Rate (- / + 1%)	<b>1,62,97,810</b>	<b>1,67,89,248</b>	1,84,49,398	2,32,38,399
(% change compared to base due to sensitivity)	<b>1.4</b>	<b>(1.6)</b>	12.6	(10.00)
Mortality Rate (- / + 10%)	<b>1,64,78,121</b>	<b>1,65,80,929</b>	2,06,53,152	2,15,69,963
(% change compared to base due to sensitivity)	<b>0.3</b>	<b>(0.3)</b>	2.2	(2.1)

## 29. Segment Reporting

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

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

**a. Business Segments:**

Year Ended March 31st 2024 &amp; 2023

(Rs. In Lakhs)

	Integrated Solutions	Technical Division	Projects Division	Others	Unallocable	Total
Revenues	-	6016.15	2432.10	-	-	8448.25
	-	5,809.57	7,270.45	-	-	13,080.03
Identified op. expenses	12.45	5777.62	1127.12	-	-	6917.19
	206.29	5,139.48	4,644.01	-	-	9,989.78
Allocated Expenses	-	-	195.99	-	-	195.99
	-	-	157.82	-	-	157.82
Segmental operating income	(12.45)	238.53	1108.99	-	-	1335.07
	(206.29)	670.09	2,468.63	-	-	2,932.43
Un-allocable expenses	-	-	-	-	832.69	832.69
	-	-	-	-	3,941.26	3,941.26
Operating income	-	-	-	-	-	502.38
	-	-	-	-	-	(1,008.82)
Other income/(expenses), net	-	-	-	-	331.23	331.23
	-	-	-	-	2,475.77	2,475.77
Net profit before Interest	-	-	-	-	-	833.61
	-	-	-	-	-	1,466.95
(Less): Interest Expenses	-	-	-	-	285.86	285.86
	-	-	-	-	636.20	636.20
Add: Interest Income	-	-	-	-	65.47	65.47
	-	-	-	-	40.16	40.16
Net profit before taxes	-	-	-	-	-	613.22
	-	-	-	-	-	865.56
Income Taxes	-	-	-	-	-	150.97
	-	-	-	-	-	518.98
Net Profit after taxes	-	-	-	-	-	462.25
	-	-	-	-	-	342.93
<b>Other Information</b>						
Segment Assets	6.96	1368.05	12501.38	-	5402.71	19279.10
	54.03	1,275.77	13,222.15	-	5,256.65	19,808.60
Segment Liabilities	334.40	1178.20	1770.50	-	15996.00	19279.10
	329.78	1,138.31	3,414.29	-	14,926.22	19,808.60
Capital Expenditure	-	-	-	-	-	-
	-	-	-	-	-	-
Depreciation	-	-	0.05	-	14.93	14.98
	-	-	1.17	-	22.32	23.49

**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
Sri. T. Gopichand	Key Management Personnel (Chairman & Managing Director), Spouse of Smt. T. Pavana Devi & Brother of T.Bapaiah Chowdary.	YES
Smt. T. Pavana Devi	Director & Spouse of Sri.T. Gopichand. (Retired w.e.f.17-08-2023)	YES
Sri. T. Madhu Mitra	Whole Time Director & Son of Sri. T. Gopichand (Appointed w.e.f. 17-08-2023)	YES
Sri.T.Bapaiah Chowdary	Director & Brother to the Chairman & Managing Director (Sri.T.Gopichand)	YES
Sri.T.Madhu Mitra	Son of Chairman & Managing Director	YES
Sri.T.Girish	Son of T.Bapaiah Chowdary	YES
Smt. T. Vindhya	Daughter-in-law of Sri.T.Gopichand (Chairman & Managing Director) &Smt T. Pavana Devi, Director	YES
Sri.OduruBabu Reddy	Chief Financial Officer (Resigned w.e.f 30-06-2023)	YES
Sri. Ch. Mallikarjuna	Company Secretary	YES
Sri. Divakar Atluri	Director	NO
Sri. Braja Bandhu Nayak	Director	NO
Sri. Hanuman Chowdary Tripuraneni	Director	NO
Smt. Lakshmi Vellat Thozuvanoor	Director	NO
Kum. D. Pravallika	Chief Financial Officer	YES

**Transactions with Related parties:**

Name of the Related Party	Sri. T. Gopichand	Smt. T. Pavana Devi (Retired w.e.f. 17-08-2023)	Sri. T. Madhu Mitra (Appointed w.e.f. 17-08-2023)	Sri. T. Bapaiah Chowdary	Smt. T. Vindhya & Sri. T. Girish
Description of the nature of transactions	a) Remuneration b) Unsecured Loan Received c)Interest on unsecured loan	a) Sitting Fees b) Unsecured Loan Received c) Interest on Unsecured Loans	a) Remuneration	a)Sitting Fee b)Supply of Goods	Salary
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of Rs. 104.00 lakhs b) Unsecured Loan Received of Rs. 0.00 Lakhs c) Interest on unsecured loan of Rs. 44.98 Lakhs d) Loan repaid of Rs. 0.00 Lakhs	a)Sitting Fee Paid Rs.0.50 lakhs. b) Unsecured Loan Received of Rs 0.00 Lakhs c) Interest on Unsecured Loans Rs. 15.64 Lakhs	a)Managerial Remuneration of Rs. 16.81 lakhs	a)Sitting Fee Paid Rs.1.61 lakhs. b)Total transaction value is Rs. NIL	Salary of Rs.12.82 lakhs and Rs.10.12 lakhs
Any other elements of the related party transactions	NIL	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.12.00 lakhs b) Unsecured Loan including interest Rs. 399.43 lakhs	a) Unsecured Loan including interest Rs 138.86 lakhs	a) Managerial Remuneration Payable Rs. 1.26 lakhs	Purchase of Goods (payable) Rs.21.29 Lakhs	Salary Payable of Rs. 1.08 lakhs, Rs.0.95 lakhs and Rs. 0.80 Lakhs
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	NIL

Name of the related Party	Sri. Oduru Babu Reddy, C.F.O (Resigned w.e.f. 30-06-2023)	Kum. D.Pravallika, C.F.O. (Appointed w.e.f. 31-12-2023)	Sri. Ch. Mallikarjuna, C.S.
Description of the nature of transactions	Salary	Salary	Salary
Volume of the transactions either as an amount or as appropriate proportion	Salary of Rs. 4.95 lakhs	Salary of Rs. 1.84 lakhs	Salary of Rs. 9.48 lakhs
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	-	Salary Payable of Rs. 0.57 Lakhs	Salary Payable of Rs. 0.57 Lakhs

### 31. Financial instruments:

#### Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

##### Capital Management

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

The Company determines the amount of capital required on the basis of budgets and estimates made d credit ratingsancial strngth ty risk while meeting investment requirements. The obin oannually 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	As at
	March 31, 2024	March 31, 2023
A. Equity	<b>11,249.10</b>	10,786.84
B. Net debt		
Short-term borrowings and current portion of long-term debt	<b>2807.58</b>	1,931.51
Add: Long-term debt	<b>538.29</b>	483.74
Less: Cash and cash equivalents	<b>1521.90</b>	1,020.86
B. Total Net Debt	<b>1823.97</b>	1,394.39
<b>Total Capital (A + B)</b>	<b>13073.07</b>	11,995.55

◆ **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, 2024, and March 31, 2023

**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	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD	<b>4.01 (INR 334.39)</b>	4.01 (INR 329.77)	<b>1.73 (INR 144.15)</b>	1.73 (INR142.15)

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

Particulars	Foreign Currency Sensitivity	
	As at March 31, 2024	As at March 31, 2023
	INR	INR
<b>2% Depreciation in INR</b>		
Impact on P&L	<b>9.57</b>	9.44
<b>Total</b>	<b>9.57</b>	9.44
<b>2% Appreciation in INR</b>		
Impact on P&L	<b>(9.57)</b>	(9.44)
<b>Total</b>	<b>(9.57)</b>	(9.44)

**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:**

Sl. No.	Particulars	As at March 31,2024	As at March 31,2023
	Measured at Amortised cost		
<b>(i)</b>	<b>Financial Assets</b>		
a.	Trade receivables	<b>12,420.20</b>	12,800.19
b.	Cash & Cash Equivalents and bank balances (Includes Margin Money Deposits)	<b>2,027.57</b>	1,600.81
c.	Other financial assets	<b>1,812.12</b>	659.26
	<b>Total</b>	<b>16,259.89</b>	15,060.26
<b>(ii)</b>	<b>Financial Liabilities</b>		
	Measured at Amortised cost		
a.	Borrowings	<b>2,807.58</b>	1,931.51
b.	Trade payables	<b>4,166.21</b>	4,587.06
c.	Other financial liabilities	<b>794.84</b>	821.00
	<b>Total</b>	<b>7,768.63</b>	7,339.57

**(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 31,2024			As at March 31,2023		
	Within Twelve Months	After Twelve Months	Total	Within Twelve Months	After Twelve Months	Total
Borrowings	<b>2,807.58</b>	-	<b>2,807.58</b>	1,931.51	-	1,931.51
Trade payables	<b>4,166.21</b>	-	<b>4,166.21</b>	4,587.06	-	4,587.06
Other financial liabilities	<b>749.84</b>	<b>538.29</b>	<b>1,288.13</b>	821.00	483.74	1,304.74

**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, 2024 and March 31, 2023 comprise of the following:

(Rs. in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
<b>A</b>	<b>Deferred Tax Liability / Asset</b>		
1	Related to fixed assets	<b>3.25</b>	91.27
<b>B</b>	<b>Deferred Tax Assets</b>		
1	Disallowance under the Income tax Act,1961	<b>209.89</b>	192.84
<b>C</b>	<b>Deferred tax (Liability)/Asset (net)</b>	<b>213.14</b>	284.11

34. In order to comply with the requirement of the Micro, Small and Medium Enterprises Development Act, 2006, Company has sought confirmation from the vendors whether they are falling in the category of Micro/Small/Medium Enterprises.

Based on the information available, the required disclosures are given below:

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid	-	145.22
Delayed payments due as at the end of each accounting year on account of Principal	-	145.22
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	119.49
Interest accrued and remaining unpaid as at March 31	-	119.49
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

### 35. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend 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 2023-24	FY 2022-23
Gross Amount required to be spent during the year	-	7.12
Earlier Years	<b>0.37</b>	7.55
Amount spent during the year in Cash		
i) On Construction / acquisition of any asset	<b>Nil</b>	Nil
ii) On purposes other than (i) above	<b>0.37</b>	14.77
Unspent Amount	-	0.37

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. As per audited financial statements average net profit of the preceeding three financial years is negative “ Rs - 4,09,49,007/-.”

Further, informed that, there is no need to spend on CSR activities in the financial year 2023-24.

### 36. Earnings Per Share

Particulars	FY 2023-24	FY 2022-23
Net Profit After Tax (Rs in lakhs)	<b>462.25</b>	342.93
Weighted Average Number of Equity shares of Rs.10 each (In lakhs)	<b>125.12</b>	125.12
Nominal Value of Shares	<b>10</b>	10
Earnings Per Share (Basic/Diluted) (In Rs.)	<b>2.75</b>	2.77

### 37. Disclosures of shareholding of Promoters and promotersgroup

Shares held by Promoters at the end of the year 31 March 2024				As at 31 March 2023		
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%	-	11.97	9.56%
2	Tummala Pavana Devi	5.75	4.59%	-	5.75	4.59%

3	Tummala Madhu Mitra	8.41	6.72%	-	8.41	6.72%
4	Tummala Rajasekhar	28.25	22.58%	-	28.25	22.58%
5	Tummala Bapaiah Chawdary	0.93	0.74%	-	0.93	0.74%
6	Tummala Tulsi Rani	0.54	0.43%	-	0.55	0.44%
7	N. Sri Durga	2.27	1.81%	-	2.27	1.81%
8	Tummala Seetaramamma	1.37	1.09%	-	1.37	1.09%

**38. Ratios for the years ended March 31st 2024 and March 31st 2023 are as follows:**

	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance
a)	Current Ratio	Current assets	Current liabilities	<b>1.95</b>	1.93	1.04%
b)	Debt-Equity ratio	Total Debt	Shareholders' equity	<b>0.05</b>	0.04	25.00%
c)	Debt service coverage ratio	Earnings available for debt service	Debt service	<b>2.81</b>	1.71	64.33%
d)	Return on equity ratio	Net Profit after taxes	Equity	<b>0.03</b>	0.03	0.00%
e)	Inventory turnover ratio	Turnover	Closing Inventory	<b>1789.88</b>	1065.15	68.04%
f)	Trade receivable turnover ratio	Turnover	Closing Receivables	<b>0.65</b>	0.98	-33.67%
g)	Trade payable turnover ratio	Purchases	Closing Payables	-	-	0.00%
h)	Net capital turnover ratio	Net Sales	Working Capital	<b>1.02</b>	1.69	-36.64%
i)	Net profit ratio	Net profit after Tax	Net Sales	<b>0.04</b>	0.03	33.33%
j)	Return on capital employed ratio	Earnings Before Interest & Taxes	Capital employed	<b>0.07</b>	0.12	-41.67%
k)	Return on Investment	Net income	Value of equity at the beginning	<b>0.03</b>	0.03	0.00%

**39. Trade Receivables**

S.No.	Particulars	TOTAL	< 6 M	6 M - 1 Y	1 - 2 y	2 - 3 y	> 3 Y
<b>UNDISPUTED TRADE RECEIVABLES CONSIDERED GOOD</b>							
1	APSFL-AMC-PT	5,06,20,398	-	-	-	-	5,06,20,398
2	APSFL-Mis- works	64,67,085	-	-	-	-	64,67,085
3	Davanagere Smart City Limited	3,49,68,092	3,49,68,092	-	-	-	-
4	DVVNL UPPCL	10,54,24,890	10,54,24,890	-	-	-	-
5	GST Suvidha	4,76,130	4,76,130	-	-	-	-
6	Jharkhand Project (JAPIT)	7,74,04,589	-	-	7,74,04,589	-	-
7	Maharastra IT Corporation Ltd	8,49,689	8,49,689	-	-	-	-
8	Bharat Electronics Limited- BEL	1,96,38,364	1,96,38,364	-	-	-	-
9	PVVNL UPPCL	8,24,01,601	8,24,01,601	-	-	-	-
10	WBSEDCL Order Oct 20 to Sep 23	8,03,98,516	8,03,98,516	-	-	-	-
	<b>Sub-Total</b>	<b>45,86,49,354</b>	<b>32,41,57,282</b>	-	<b>7,74,04,589</b>	-	<b>5,70,87,483</b>
<b>Disputed Trade Receivables considered Good</b>							
1	APSFL- BBNL	41,77,40,586	-	-	-	-	41,77,40,586
2	APSFL- O&M Service	42,99,99,259	-	-	-	-	42,99,99,259
	<b>Sub-Total</b>	<b>84,77,39,845</b>	-	-	-	-	<b>84,77,39,845</b>
	<b>Grand Total</b>	<b>1,30,63,89,199</b>	<b>32,41,57,282</b>	-	<b>7,74,04,589</b>	-	<b>90,48,27,328</b>

**40. Unbilled dues from the clients:**

S.No.	Particulars	TOTAL	< 6M	6M- 1Y	1-2Y	2-3Y	>3Y
1	Unbilled Receivable Odisha O&M	13,08,51,272	5,30,93,216	5,30,93,216	2,46,64,840	-	-
2	Unbilled Receivable RJIO Retail	3,86,25,873	-	-	3,86,25,873	-	-
3	Unbilled Receivable BEL	98,98,995	98,98,995	-	-	-	-
	<b>Total</b>	<b>17,93,76,140</b>	<b>6,29,92,211</b>	<b>5,30,93,216</b>	<b>6,32,90,713</b>	-	-

#### 41. Trade Payables

S.No.	Particulars	TOTAL	<1Y	1-2Y	2-3Y	>3Y
1	Aabmatica Technologies Pvt Ltd	28,417	-	28,417	-	-
2	Altice Labs, S.A	3,34,40,393	-	-	-	3,34,40,393
3	Amilion Technologies Pvt Ltd	8,57,01,967	-	8,57,01,967	-	-
4	BVM IT Consulting Services India Pvt Ltd- Sub Cont.	4,85,283	4,85,283	-	-	-
5	Foregee Infotech- Setu Nashik	7,82,996	7,82,996	-	-	-
6	Hiliks Technologies Limited	15,612	-	15,612	-	-
7	KASH IT Solutions Ltd	1,84,66,467	1,84,66,467	-	-	-
8	Karthik Informatics Private Limited	21,45,072	21,45,072	-	-	-
9	Luminex Technosys Private Limited	84,54,622	84,54,622	-	-	-
10	Prakash Electricals	29,593	29,593	-	-	-
11	Praptham Tech Solutions Pvt Ltd	33,46,120	-	33,46,120	-	-
12	Raja Enterprises	21,28,757	-	-	-	21,28,757
13	Tejas Networks Limited	15,20,084	15,20,084	-	-	-
14	TVS Supply Chains Solutions Ltd	11,70,81,443	6,41,150	1,30,01,557	7,25,86,241	3,08,52,495
15	Unbilled Subcontracting expenses payable BEL	93,05,055	93,05,055	-	-	-
16	Vaibhu Infra Tech India Pvt Ltd-UPPCL	13,22,59,452	13,22,59,452	-	-	-
17	Amnex Info technologies Pvt Ltd	14,29,740	14,29,740	-	-	-
	<b>TOTAL</b>	<b>41,66,21,072</b>	<b>17,55,19,514</b>	<b>10,20,93,673</b>	<b>7,25,86,241</b>	<b>6,64,21,645</b>

42. 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: 005905S

**T. Madhu Mitra**

Whole Time Director  
DIN: 07124242

**T. Gopichand**

Chairman & Managing Director  
DIN: 00107886

**CA. G V Ramana**

Partner  
M.No: 025995

**D. Pravallika**

Chief Financial Officer

**Ch. Mallikarjuna**

Company Secretary  
M.No. A47545

Place: Hyderabad  
Date: 27-05-2024

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **TERA SOFTWARE LIMITED**

### Report on the Audit of the Consolidated Financial Statements Opinion

We have audited the accompanying Consolidated financial statements of TERA SOFTWARE LIMITED (the "Company"), and its Subsidiary (the Company and the Subsidiary together referred to as the Group) which comprise the Balance Sheet as at March 31, 2024, 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 "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements gives the information required by the Companies Act, 2013 (the "Act") in the manner so required and gives 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 group as at March 31, 2024 and its Consolidated profit, total comprehensive income, changes in equity and its Consolidated cash flows for the year ended on that date.

i. Includes the financial results of following entity: -

Name of Entity	Relationship
TS Innovations Private Limited	Subsidiary Company (74% Equity capital held by Tera Software Limited)

ii. Are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and;

iii. Give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit, and other financial information of the Group for the year ended March 31, 2024.

### Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated financial statements for the current period. These matters were addressed in the context of our audit of the Consolidated 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recognition and Measurement of Expected Credit Loss:</b></p> <p>The estimation of expected credit losses on trade receivables is identified as a key audit matter due to its significance in assessing the financial health of the company and its impact on reported earnings and financial position. This matter is particularly important given the inherent subjectivity involved in forecasting future credit losses.</p>	<p><b>Our audit procedure in respect of this area included:</b></p> <p><b>Risk Assessment:</b> We assessed the risk of material misstatement in the recognition and measurement of Expected credit Loss, considering the inherent complexities in the industry's revenue recognition and the potential impact of economic factors on customers' ability to pay.</p> <p><b>Evaluation of Internal Controls:</b> We evaluated the design and implementation of internal controls over the estimation of Expected Credit Loss by testing the reasonableness of key assumptions and ensuring the accuracy and completeness of underlying data such as historical loss rates, economic indicators, and customer specific rates including the company's policies and procedures for assessing credit risk, monitoring customer payments, and determining appropriate provisions for doubtful accounts.</p>



		<p><b>Testing of Bad Debt Provision (i.e., Expected Credit Loss):</b> We performed substantive testing procedures to validate the completeness and accuracy of the Expected Credit losses. These procedures include the following:</p> <ul style="list-style-type: none"> <li>◆ Reviewing the ageing of accounts receivable, analyzing historical collection patterns.</li> <li>◆ Examining supporting documents including invoices, contracts, and communications with the customers along with legitimacy of such records.</li> <li>◆ Assessing the customer's creditworthiness by considering factors such as payment history, Financial Stability &amp; credit ratings.</li> <li>◆ The reasonableness of assumptions and effective discount rate used in the estimation process.</li> </ul> <p>We also performed Sensitivity analysis to evaluate the impact of different scenarios to the allowance for expected credit losses</p> <p><b>Management Representations:</b> We obtained written representations from management regarding the completeness and accuracy of information provided to us concerning the Expected Credit Loss.</p> <p>Our audit procedures provided us with sufficient appropriate audit evidence to form an opinion on the reasonableness of the Expected Credit Allowance and its impact on the financial statements.</p>
2	<p><b>Provisions and Contingent Liabilities and Evaluation of uncertain tax positions:</b></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 preparation of 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 Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or with 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 Consolidated 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 Consolidated 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, Management and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Companies Act, 2013, 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 and Board of Directors.
- ◆ Conclude on the appropriateness of managements and Board of Directors 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. Consolidated 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 Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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.

### **Other Matters**

The consolidated financial results included the audited financial statements / financial results of TS Innovation Private Limited, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs.62,75,600 as at 31st March, 2024, group's share of total operating revenue of NIL and Rs. 49,400 group's share of total net profit/(loss) after tax of for the year ended 31st March, 2024 are considered in the consolidated financial results which are not material to the group.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account and returns.
  - d. In our opinion, the aforesaid Consolidated financial statements comply with the IndAS Specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e. There are no adverse observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company.
  - f. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. With respect to the adequacy of the internal financial controls with reference to the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated financial statements Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements as at 31st March 2024.
    - ii. The Group has not 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 were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The management has represented that, to the best of its knowledge and belief, that
      - a. 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;
      - b. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity(ies), including foreign entities ("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;
      - c. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
  - e. In our opinion and according to the information and explanations given to us, the company has not declared any dividend during the year.
  - f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023;

The Company, in respect of financial year commencing on or after the 1st April, 2023, has used Tally Prime Accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in respect of whether the the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

Place : Hyderabad  
Date: 27.05.2024

**For Narven Associates**

Chartered Accountants  
FRN : 0005905S

**CA. G.V. RAMANA**

Partner  
Membership No: 025995  
UDIN: 24025995BKASVD9210

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

(Referred to 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

Place : Hyderabad  
Date: 27.05.2024

**For Narven Associates**

Chartered Accountants  
FRN : 0005905S

**CA. G.V. RAMANA**

Partner  
Membership No: 025995  
UDIN: 24025995BKASVD9210

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT of on the Consolidated INDAS Financial Statements of M/s TERA SOFTWARE LIMITED for the year ended 31st March,2024.**

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Tera Software Limited of even date)

**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, 2024 in conjunction with our audit of the Consolidated Ind AS financial statements of the Tera Software Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements 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 "Guidance Note").

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

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of

frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and whether 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, 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 Consolidated 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 control with reference to financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control with reference to 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2024, 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.

### **OTHER MATTER**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to subsidiaries, step down subsidiary which was incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

Place : Hyderabad  
Date: 27.05.2024

### **For Narven Associates**

Chartered Accountants  
FRN : 0005905S

### **CA. G.V. RAMANA**

Partner  
Membership No: 025995  
UDIN: 24025995BKASVD9210

**CONSOLIDATED BALANCE SHEET AS AT 31-03-2024**

(Rs. In Lakhs)

Particulars	Note	For the Year Ended As at 31-03-2024 Audited
<b>I. ASSETS</b>		
<b>1. Non-current assets</b>		
(i) Property, Plant & Equipment	1	<b>2,659.55</b>
(ii) Financial Assets		
(a) Investment	2	-
(b) Other Financial Assets	2	<b>332.00</b>
(iii) Other non current assets	3	<b>492.44</b>
(iv) Deferred tax Asset (net)	4	<b>213.14</b>
<b>Total non-current assets</b>		<b>3,697.13</b>
<b>2. Current assets</b>		
(i) Inventories	5	<b>4.72</b>
(ii) Financial Assets		
(a) Trade receivables	6	<b>12,420.20</b>
(b) Cash and Cash Equivalents	7	<b>2,028.86</b>
(c) Other financial assets	8	<b>1,812.12</b>
(iii) Other current assets	9	<b>768.94</b>
Total current assets		<b>17,034.84</b>
<b>TOTAL</b>		<b>20,731.97</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>A Equity</b>		
(a) Equity Share Capital	10	<b>1,251.19</b>
(b) Other Equity	11	<b>9,997.41</b>
(c) Minority Interest		<b>0.26</b>
Total Equity		<b>11,248.86</b>
<b>B Liabilities</b>		
<b>1. Non-current liabilities</b>		
(i) Financial liabilities		
(a) Lease Liabilities		-
(b) Borrowings	12	<b>538.29</b>
(ii) Provisions	13	<b>152.44</b>
Total non-current liabilities		<b>690.73</b>
<b>2. Current liabilities</b>		
(i) Financial liabilities		
(a) Lease Liabilities		
(b) Borrowings	14	<b>2,807.58</b>
(c) Trade payables	15	
Total Outstanding dues to Micro enterprises and small enterprises		-
Total Outstanding dues to creditors other than Micro enterprises and small enterprises		<b>4,166.21</b>
(d) Other financial liabilities	16	<b>812.09</b>
(ii) Other current liabilities	17	<b>787.95</b>
(iii) Provisions	18	<b>218.55</b>
Total current liabilities		<b>8,792.38</b>
<b>TOTAL</b>		<b>20,731.97</b>

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

As per our report of even date attached

**For Narven Associates**

Chartered Accountants  
FRN: 005905S

**T. Madhu Mitra**

Whole Time Director  
DIN: 07124242

**T. Gopichand**

Chairman & Managing Director  
DIN: 00107886

**CA. G V Ramana**

Partner  
M.No: 025995

**D. Pravallika**  
Chief Financial Officer

**Ch. Mallikarjuna**

Company Secretary  
M.No. A47545

Place: Hyderabad  
Date: 27-05-2024

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD/YEAR ENDED**

(Rs. In Lakhs)

Particulars	Note	For the Year Ended
		<b>31-03-2024</b>
		<b>Audited</b>
<b>Income</b>		
I	Revenue from operations	19 <b>8,448.25</b>
II	Other income	20 <b>392.88</b>
III	<b>Total Income (I+II)</b>	<b>8,841.13</b>
IV	Expenses	
	Purchases	21 -
	Change in inventories	22 <b>7.56</b>
	Technical & Operation expenses	23 <b>5,568.69</b>
	Employee benefit expenses	24 <b>1,856.68</b>
	Finance costs	25 <b>285.86</b>
	Depreciation and amortization expenses	1 <b>14.98</b>
	Other expenses	26 <b>355.17</b>
	<b>Total Expenses (IV)</b>	<b>8,088.94</b>
V	<b>Profit / (Loss) before Exceptional items and tax (III-IV)</b>	<b>752.19</b>
VI	Exceptional items	<b>139.47</b>
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>612.72</b>
VIII	Tax expense	
	1) Current tax	<b>205.72</b>
	2) Earlier years Taxes	<b>(31.76)</b>
	3) Deferred tax (Net)	<b>94.61</b>
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>	<b>344.15</b>
X	Profit/(Loss) from discontinued operations	-
XI	Tax expense of discontinued operations	-
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)	-
XIII	<b>Profit/(Loss) for the period (IX-XII)</b>	<b>344.15</b>
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	<b>93.95</b>
	(ii) Income tax relating to items that will be reclassified to profit or loss	<b>(23.65)</b>
XV	Total Comprehensive income for the period (XIII+XIV) (Comprising Profit / (Loss) and Other Comprehensive income for the period	<b>461.75</b>
XVI	Earnings per equity share Rs10/- (for continuing operations)	
	1) Basic	<b>2.75</b>
	2) Diluted	<b>2.75</b>

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

As per our report of even date attached

**For Narven Associates**

Chartered Accountants  
FRN: 005905S

**T. Madhu Mitra**

Whole Time Director  
DIN: 07124242

**T. Gopichand**

Chairman & Managing Director  
DIN: 00107886

**CA. G V Ramana**

Partner  
M.No: 025995

**D. Pravallika**

Chief Financial Officer

**Ch. Mallikarjuna**

Company Secretary  
M.No. A47545

Place: Hyderabad  
Date: 27-05-2024

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2024**

(Rs. In Lakhs)

Particulars	Year Ended 31-03-2024
<b>A. Cash flow from operating activities</b>	
<b>Net Profit / (Loss) before tax as per Profit &amp; Loss Statement</b>	<b>612.72</b>
<b>Adjustments for:</b>	
Depreciation and amortisation	14.98
Sundry Credit Balances Written Back	
Interest Income	(65.47)
Bad Debts Written Off	57.08
Finance Cost	285.86
Advances Written off	
Exceptional Item	139.47
<b>Changes in Assets and Liabilities:</b>	
Trade receivables	322.91
Other Financial Assets and Other Assets	(86.43)
Other Non Current Assets	12.36
Other Financial Assets	(1,152.86)
Other Current Assets	175.67
Inventories	7.56
Trade Payables	(420.85)
Long Term Provisions	(12.91)
Other Current Liabilities	(116.97)
Short Term Provisions	174.32
Other Financial Liabilities	(8.91)
Cash generated from operations	(61.47)
Income tax paid	205.72
<b>Net cash flow from operating activities (A)</b>	<b>(267.19)</b>
<b>B. Cash flow from investing activities</b>	
Property, Plant & Equipment	(14.98)
Sale of Land	-
Interest Income	65.47
<b>Net cash flow from Investing activities (B)</b>	<b>50.49</b>
<b>C. Cash flow from financing activities</b>	
Short Term Borrowings(Net)	876.07
Long Term Borrowings	54.55
Interest Paid	(285.86)
<b>Net cash flow from Financing activities (C)</b>	<b>644.76</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>428.06</b>
<b>Opening balance of Cash and cash equivalents</b>	<b>1,600.81</b>
<b>Closing balance of Cash and cash equivalents</b>	<b>2,028.87</b>
<b>Components of Cash and Cash Equivalents</b>	
Cash and cheques on Hand	9.47
Balances with Banks	
- On Current Accounts	1,513.73
- On Deposit Accounts	505.67
<b>Cash and cash Equivalent as per Note 7</b>	<b>2,028.87</b>

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

As per our report of even date attached

**For Narven Associates**

 Chartered Accountants  
 FRN: 005905S

**T. Madhu Mitra**

 Whole Time Director  
 DIN: 07124242

**T. Gopichand**

 Chairman & Managing Director  
 DIN: 00107886

**CA. G V Ramana**

 Partner  
 M.No: 025995

 Place: Hyderabad  
 Date: 27-05-2024

**D. Pravallika**

Chief Financial Officer

**Ch. Mallikarjuna**

 Company Secretary  
 M.No. A47545



**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**1. PROPERTY, PLANT AND EQUIPMENT**

(Rs. In Lakhs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 1-Apr-23	Additions during the year/period	Deletions during the year/period	Upto 31-Mar-24	As at 31-Dec-23	For the Year/period		Deletions during the year/period	Upto 31-Mar-24
<b>TANGIBLE</b>									
Land	2,229.66	-	-	<b>2,229.66</b>	-	-	-	-	<b>2,229.66</b>
Buildings	558.09	-	-	<b>558.09</b>	137.31	2.46	-	<b>139.87</b>	<b>418.54</b>
Plant and Equipment	329.88	-	-	<b>329.88</b>	329.88	-	-	<b>329.88</b>	<b>-</b>
Furniture and Fixtures	123.64	-	-	<b>123.64</b>	120.67	0.23	-	<b>120.90</b>	<b>2.75</b>
Vehicles	99.79	-	-	<b>99.79</b>	95.17	0.33	-	<b>95.50</b>	<b>4.39</b>
Office equipment	25.98	-	-	<b>25.98</b>	25.29	0.20	-	<b>25.49</b>	<b>0.48</b>
Electrical & Fixtures	105.91	-	-	<b>105.91</b>	101.92	0.38	-	<b>102.29</b>	<b>3.72</b>
Capital Assets on Projects Division	1,082.88	-	-	<b>1,082.88</b>	1,082.88	-	-	<b>1,082.88</b>	<b>-</b>
<b>Total</b>	<b>4,555.84</b>	<b>-</b>	<b>-</b>	<b>4,555.84</b>	<b>1,893.12</b>	<b>3.61</b>	<b>-</b>	<b>1,896.13</b>	<b>2,659.55</b>

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	As at 31-03-2024 Audited
<b>FINANCIAL ASSETS</b>	
<b>2 OTHER FINANCIAL ASSETS</b>	
<b>Investment</b>	
TS Innovations Pvt.Ltd	-
Security and other Deposits	332.00
<b>Total</b>	<b>332.00</b>
<b>3 OTHER NON CURRENT ASSETS</b>	
(Unsecured, Considered good)	
Bank deposits maturity of morethan 12 months	64.05
BG Claim Under Protest	428.39
<b>Total</b>	<b>492.44</b>
<b>4 Deferred tax Asset (net)</b>	
On account of Fixed Assets	3.25
On account of Income tax disallowances	209.89
<b>Total</b>	<b>213.14</b>
<b>5 INVENTORIES</b>	
(a) Finished Goods	4.72
(b) Consumables	-
(c) Work-in-progress	-
<b>Total</b>	<b>4.72</b>
<b>6 Trade receivables</b>	
a) Considered Good - Secured	
b) Considered Good - Unsecured	13,063.89
c) Trade Receivables which have significant increase in credit risk	
d) Trade Receivables credit Impaired	
Less: Credit Loss Allowance	(643.69)
<b>Total</b>	<b>12,420.20</b>
<b>7 Cash and Cash Equivalents</b>	
(i) Cash on hand	9.47
(ii) Balances with Banks	
In current accounts	1,513.73
In Dividend account	-
In Marging Money Deposits	505.67
<b>Total</b>	<b>2,028.87</b>
<b>8 Other financial assets</b>	
Accrued Interest	18.36
Unbilled Receivables	1,793.76
<b>Total</b>	<b>1,812.12</b>
<b>9 OTHER CURRENT ASSETS</b>	
(Unsecured and considered good)	
(a) Advance to Suppliers / Service Providers	386.34
(b) Staff Advances	4.66
(c) Advance for Expenses	1.49
(d) Prepaid expense	46.32
(e) Balances with government authorities	326.60
(f) Rent Receivable	3.53
<b>Total</b>	<b>768.94</b>

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	Year Ended	
	As at 31-03-2024	
	Audited	
	Number of shares	Amount
<b>AUTHORISED</b>		
Equity Shares of Rs 10/- each	<b>250.00</b>	<b>2,500.00</b>
ISSUED, SUBSCRIBED & FULLY PAID UP		
Equity shares of Rs 10/- each	<b>125.12</b>	<b>1,251.19</b>
<b>Total</b>	<b>125.12</b>	<b>1,251.19</b>

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

Name of The Shareholder	As at 31st March 2024	
	No of shares held (in lakhs)	% out of number of shares of the company
Tummala Gopichand	<b>11.97</b>	<b>9.56%</b>
Tummala Pavana Devi	<b>5.75</b>	<b>4.59%</b>
Tummala Madhu Mitra	<b>8.41</b>	<b>6.72%</b>
Tummala Raja Sekhar	<b>28.25</b>	<b>22.58%</b>

**10.2 Reconciliation of number of shares**

Name of the Shareholder	As at 31st March 2024	
	No of shares held (in lakhs)	% out of number of shares of the company
Shares outstanding at the beginning of the year	<b>125.12</b>	<b>1,251.19</b>
Add: Shares issued during the year	-	-
	<b>125.12</b>	<b>1,251.19</b>
Less: Shares bought back during the year	-	-
	<b>125.12</b>	<b>1,251.19</b>

- 1 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.

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

Particulars	For the Year Ended
	<b>As at 31-03-2024</b>
	<b>Audited</b>
<b>11 OTHER EQUITY</b>	
<b>Securities Premium</b>	
Figures as at the end of the previous reporting period	<b>851.00</b>
Additions	-
Deductions	-
Figures as at the end of current reporting period	<b>851.00</b>
<b>General Reserve</b>	
Figures as at the end of the previous reporting period	<b>3,834.76</b>
Additions	-
Deductions	-
Figures as at the end of current reporting period	<b>3,834.76</b>
<b>Surplus in Profit and Loss Account</b>	
Figures as at the end of the previous reporting period	<b>4,849.90</b>
CSR Expenditure	-
IND AS Impact	-
Add: Profit for the year / period	<b>344.15</b>
Figures as at the end of Reporting period	<b>5,194.05</b>
Other Comprehensive Income / Loss Net of Tax at the end of the previous reporting year	
Other Comprehensive Income / Loss Net of Tax	<b>117.60</b>
Less : Proposed dividend	-
: Tax on Proposed dividend	-
: Transfer to General Reserves	-
	<b>117.60</b>
<b>Total of Reserves and Surplus</b>	<b>9,997.41</b>

## 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.

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

		For the Year Ended
Particulars		<b>As at 31-03-2024</b>
		<b>Audited</b>
<b>12</b>	<b>Long term borrowings</b>	
	<b>Term loans</b>	
	From Banks	-
	From Directors	<b>538.29</b>
	<b>Total</b>	<b>538.29</b>
<b>13</b>	<b>Long term provisions</b>	
	Provision for employee benefits:	
	Gratuity	<b>152.44</b>
	<b>Total</b>	<b>152.44</b>
<b>14</b>	<b>Short term borrowings</b>	
	- Secured	
	(a) Loans repayable on demand from banks	-
	(b) Cash credit	<b>2,807.58</b>
	(c) Short Term Working Capital Loans from Banks	
	(d) Short Term Loan from Others 1 & 2	-
	<b>Total</b>	<b>2,807.58</b>
<b>15</b>	<b>Trade Payables</b>	
	- Total Outstanding dues to Micro enterprises and small enterprises	-
	- Total Outstanding dues to creditors other than Micro enterprises and small enterprises	<b>4,166.21</b>
	<b>Total</b>	<b>4,166.21</b>
<b>16</b>	<b>Other financial liabilities</b>	
	Retention money	<b>105.68</b>
	Unpaid Dividend	-
	Other Payables	<b>706.41</b>
	Advance for Sale of Asset	-
	<b>Total</b>	<b>812.09</b>
<b>17</b>	<b>Other current liabilities</b>	
	Advance from customers / Mobilisation advances	-
	Statutory dues	<b>737.98</b>
	Other payables	<b>49.97</b>
	<b>Total</b>	<b>787.95</b>
<b>18</b>	<b>Short-term provisions</b>	
	Provision for employee benefits:	
	Gratuity	<b>12.83</b>
	Provision for Income Tax	<b>205.72</b>
	Provision- others:	
	- Provision for SLA's	-
	<b>Total</b>	<b>218.55</b>

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

		For the Year Ended
Particulars		As at 31-03-2024 Audited
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>	
	Sales of Goods	-
	Sale of Services	8,448.25
	Operating Revenue	-
	<b>Total</b>	<b>8,448.25</b>
<b>20</b>	<b>OTHER INCOME</b>	
	Interest income	65.47
	Rental Income	327.41
	OTHER INCOME	
	Profit on Sales Asset	-
	<b>Total</b>	<b>392.88</b>
<b>21</b>	<b>PURCHASES</b>	
	Purchase	-
	<b>Total</b>	-
<b>22</b>	<b>CHANGES IN INVENTORIES</b>	
	<b>INVENTORIES AT THE BEGEMNING OF THE YEAR</b>	
	Opening Stock	
	Traded Goods	-101.20
	Consumables	113.48
	<b>Total (A)</b>	<b>12.28</b>
	<b>INVENTORIES AT THE END OF THE YEAR</b>	
	Closing Stock	
	Traded Goods	4.72
	Consumables	-
	<b>Total (B)</b>	<b>4.72</b>
	<b>(Increase) / Decrease in Stocks (A) - (B)</b>	<b>7.56</b>
<b>23</b>	<b>TECHNICAL &amp; OPERATION EXPENSES</b>	
	Power and Fuel	25.45
	Software Maintenance Charges	39.72
	Rent Charges	10.67
	Consumables	0.23
	Insurance	7.47
	Repairs & Maintenance & AMC Charges	93.19
	Transport Charges	1.66
	Exchange Fluctuation	4.89
	Subcontract & Other Work Charges	5,385.41
	<b>Total</b>	<b>5,568.69</b>
<b>24</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>	
	Salaries, Wages and other benefits	1,688.98
	Contribution to Provident Fund & other Funds	165.11
	Staff Welfare Expense	2.59
	<b>Total</b>	<b>1,856.68</b>

**CONSOLIDATED NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

(Rs. in Lakhs)

For the Year Ended

**As at  
31-03-2024**
**Audited**

Particulars	Audited
<b>25 FINANCE COST</b>	
Interest	<b>198.23</b>
Other borrowing cost	<b>87.63</b>
<b>Total</b>	<b>285.86</b>
<b>26 OTHER EXPENSES</b>	
Rates and Taxes	<b>30.40</b>
Office Maintenance	<b>6.32</b>
Communication Expense	<b>2.60</b>
Conveyance Expense	<b>22.33</b>
Travelling, Boarding & Lodging Expense	<b>12.07</b>
Incorporation Expenses	<b>0.24</b>
Printing and Stationery	<b>0.95</b>
Professional & Consultancy Expense	<b>56.23</b>
Directors' sitting fee	<b>10.11</b>
Exchange Fluctuations-OTHERS	-
Advertisement Expense	<b>1.49</b>
Advances Written Off	-
Bad Debts Written off	<b>57.08</b>
Business Promotion	<b>2.84</b>
Bank Charges and Others	<b>12.77</b>
CSR Expenses	-
Interest on late payment on GST / Service Tax	<b>32.18</b>
Expected Credit Loss	<b>49.99</b>
Repairs & Maintenance-Buildings	<b>26.11</b>
Miscellaneous Expense	<b>17.71</b>
Payment to Auditors	
Statutory Audit fee	<b>9.25</b>
Tax Audit Fee	<b>3.00</b>
Other Services	<b>1.50</b>
<b>Total</b>	<b>355.17</b>

**Note 26A - Additional Requirements**

Particulars	Explanations
Title deeds of immovable Property not held in name of the Company	All the immovable properties are held in the name of the company
Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017	The company not revalued PPE during the year
where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person	No such loans granted
Capital Work In Progress (CWIP)	There is no capital work in progress for the period under consideration.
Intangible assets under development:	No such assets
Details of Benami Property held	No such properties
Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:- (a) whether returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts. (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.	The company has borrowings from banks in the form of Cash Credit (CC) on the basis of Security of current Assets. returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.
Wilful Defaulter	The company is not a wilful defaulter
Relationship with Struck off Companies	No transactions with struckoff companies
Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.	Registration of charges duly compiled by the company
Compliance with number of layers of companies	Company complied with number of layers of companies
Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year	Company not invested in crypto currency or virtual currency during the financial year

**Note 26B - Additional Requirements**

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	100.00%	11,249.10	100.14%	344.65	100.00%	117.60	1.00	462.25
Subsidiaries Indian								
1 TS Innovations Private Limited	0.00%	0.51	-0.14%	-0.49	0.00%	0	-0.00	-0.49
<b>Total</b>								

- ◆ All subsidiaries, associates and joint venture (whether Indian or Foreign) will be covered under consolidated financial statement.



## CONSOLIDATED

### Group information:

Tera Software Limited (the Company or the Holding Company) is a public limited company domiciled in India was incorporated on September 09, 1994 with CIN: L72200TG1994PLC018391 under the provisions of the Companies Act, 1956. The registered office of the Company is situated at # 8-2-293/82/A/1107, Road No.55, Jubilee Hills, Shaik pet, Hyderabad-500033, Telangana State, India.

TS Innovations Private Limited (TSPL) incorporated on 18-07-2023 with CIN U62020TS2023PTC175114 having its Registered office at 8-2-293/82/A/1107/A, Road No.55, Jubilee Hills, Hyderabad, Shaik pet, Telangana, India, 500033. At the time of incorporation, M/s Tera Software Limited has acquired 74% of shares in TSPL and Sitra Infotech private Limited acquired 26% of shares in TSPL and thus TSPL has become a subsidiary company to Tera Software Limited as per provisions of the Companies Act, 2013. The accounts of TSPL for the period from 18.7.2023 to 31.03.2024 have been considered for the purpose of Consolidation.

The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on 27th May 2024

**Since this is the first year of consolidation, there will be no comparative figures for the previous year.”**

## SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and referred under Section 133 of the Companies Act, 2013.

These consolidated financial statements have been prepared on a historical cost basis

The financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date.

### b) Basis of Consolidation

The Company consolidates entities which it owns or controls. Control exists when the parent has power over an entity, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights, that give the ability to direct relevant activities which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Company.

#### Interest in the subsidiary

TS Innovations Private Limited (“subsidiary”) is a subsidiary of the Company.

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 consolidated financial statements

The consolidated 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:

- 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 Written Down Value 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 quarter 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 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 capitalized /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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized 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 31-03-2024

Rupees in Lakhs

Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical & Fixtures	Capital Assets on Projects Division
Gross carrying value as at April 1, 2023	2,229.66	558.09	5,462.02	247.30	99.79	29.85	254.46	1,082.88
additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2024</b>	<b>2,229.66</b>	<b>558.09</b>	<b>5,462.02</b>	<b>247.30</b>	<b>99.79</b>	<b>29.85</b>	<b>254.46</b>	<b>1,082.88</b>
Accumulated depreciation as at April 1, 2023	-	129.62	5,462.12	243.64	93.84	28.66	248.79	1,082.88
Depreciation	-	10.25	0.00	0.92	1.34	0.51	1.68	-
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2024</b>	<b>-</b>	<b>139.87</b>	<b>0.00</b>	<b>244.56</b>	<b>95.18</b>	<b>29.17</b>	<b>250.47</b>	<b>1082.88</b>
Carrying value as at April 1, 2023	2,229.66	428.47	0.00	3.66	5.95	1.19	5.67	-
<b>Carrying value as at March 31, 2024</b>	<b>2229.66</b>	<b>418.22</b>	<b>0.00</b>	<b>2.74</b>	<b>4.61</b>	<b>0.68</b>	<b>3.99</b>	<b>-</b>

#### t) Provisions, contingent liabilities and contingent assets

Provisions are recognized 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, unrealized 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 equities 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 recognized in the financial statement.

**Key sources of estimation uncertainty**

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

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

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

**Recoverability of trade receivables**

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

**Estimation of net realizable value of inventories**

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

**Provision for employee benefits**

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

**Fair value measurements and valuation processes**

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



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

Rs. In Lakhs

Particulars	<b>As at March 31, 2024</b>
<b>(A) Contingent Liability</b>	
<b>(a) Matters under litigation</b>	
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**	<b>428.38</b>
<b>Service Tax / GST</b>	
Disputed Service Tax Liability for which the company has filed an appeal with CESTAT-Hyderabad	<b>830.97</b>
<b>Sales Tax/ VAT</b>	
Disputed VAT Liability for which the company has filed an appeal with Hon'ble Kerala Value Added Tax Appellate Tribunal, Kozhikode, Kerala.	<b>166.27</b>
Disputed VAT liability for which the company has filed an appeal with AP VAT Appellate Tribunal-Visakhapatnam.	<b>173.15</b>
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.	<b>21.45</b>
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.	<b>6.97</b>
Orders issued by GST Department: Disputed GST Liability including interest for which Company has filed an appeal with Appellate Deputy Commissioner, Tirupathi	<b>555.67</b>
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 challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>99.29</b>
Orders issued by Assistant Commissioner of Central Tax and Central Excise Amaravathi CGST Division Vijayawada: Disputed Transitional Credit including and Penalty for which Company filed an appeal before Joint/Additional Commissioner of Central Tax (Appeals), Guntur, Andhra Pradesh.	<b>141.67</b>
Orders issued by GST Department: Disputed GST Liability between GSTR 3B Vs GSTR 1 during the period FY 2020-21 including interest for which Company challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>258.90</b>
Orders issued by GST Department: Disputed GST Liability for Assessment of the period Jul 2017 to Aug 2019 including Tax, interest & Penalty for which Company challenged through Writ-petitions before Honorable High Court of Andhra Pradesh, Amaravathi.	<b>2058.24</b>
Orders issued by GST Department: Disputed GST Liability for ITC reversed by the GST authorities due to services taken from (sub-contract) non-existence dealer for the period from FY 2017-18 to FY 2022-23 including Tax, interest & Penalty for which Company challenged through Writ-petitions before Honorable High Court of Jharkhand, Ranchi.	<b>2590.21</b>
<b>(b) Impact of pending legal suits in various courts:</b>	
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	<b>Amount not ascertainable</b>
<b>(c) Guarantees</b>	
Bank Guarantees and Letters of credit issued by banks on behalf of Company	<b>2,969.85</b>
<b>(B) Commitments</b>	<b>NIL</b>

\*\* 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	2023-24
	(Rs in Lakhs)
<b>1. Reconciliation of opening and closing balances of obligation</b>	
a. Obligation as at the beginning of the year	<b>180.45</b>
b. Current Service Cost	<b>19.32</b>
c. Interest Cost	<b>49.58</b>
d. Actuarial (Gain)/Loss	<b>(93.95)</b>
e. Past services cost	-
f. Benefits Paid	<b>(20.85)</b>
g. Obligation as at the end of the year	<b>165.27</b>
<b>2. Expense recognized in the period</b>	
a. Current Service Cost	<b>19.32</b>
b. Interest Cost	<b>49.58</b>
c. Actuarial(Gain)/Loss	<b>0.00</b>
d. Past service cost	<b>0.00</b>
e. Expense recognized during the year	<b>68.90</b>
<b>3. Assumptions</b>	%
a. Discount Rate (per annum) as at the end of the year	<b>7.10</b>
b. Salary Rise	<b>2.00</b>
c. Attrition Rate	<b>2.00</b>

### 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 has 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-24 (Ind AS-19)	
	Decrease	Increase
Defined Benefit Obligation (Base)	<b>1,65,26,677</b>	
Discount Rate (- / + 1%)	<b>1,83,87,776</b>	<b>1,49,48,690</b>
(% change compared to base due to sensitivity)	<b>(11.3)</b>	<b>9.5</b>
Salary Growth Rate (- / + 1%)	<b>1,43,23,155</b>	<b>1,91,86,214</b>
(% change compared to base due to sensitivity)	<b>13.3</b>	<b>(16.1)</b>
Attrition Rate (- / + 1%)	<b>1,62,97,810</b>	<b>1,67,89,248</b>
(% change compared to base due to sensitivity)	<b>1.4</b>	<b>(1.6)</b>
Mortality Rate (- / + 10%)	<b>1,64,78,121</b>	<b>1,65,80,929</b>
(% change compared to base due to sensitivity)	<b>0.3</b>	<b>(0.3)</b>

## 29. Segment Reporting

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

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

**a. Business Segments:**

Year Ended March 31st 2024

(Rs. In Lakhs)

	Integrated Solutions	Technical Division	Projects Division	Others	Unallocable	Total
Revenues	-	6016.15	2432.10	-	-	8448.25
Identified op. expenses	12.45	5777.62	1127.12	-	-	6917.19
Allocated Expenses	-	-	195.99	-	-	195.99
Segmental operating income	(12.45)	238.53	1108.99	-	-	1335.07
Un-allocable expenses	-	-	-	-	833.19	833.19
Operating income	-	-	-	-	-	501.88
Other income/(expenses), net	-	-	-	-	331.23	331.23
Net profit before Interest	-	-	-	-	-	833.11
(Less): Interest Expenses	-	-	-	-	285.86	285.86
Add: Interest Income	-	-	-	-	65.47	65.47
Net profit before taxes	-	-	-	-	-	612.72
Income Taxes	-	-	-	-	-	150.97
Net Profit after taxes	-	-	-	-	-	461.75
<b>Other Information</b>						
Segment Assets	6.96	1306.05	12501.38	-	5464.96	19279.35
Segment Liabilities	334.40	1178.20	1770.50	-	15996.25	19279.35
Capital Expenditure	-	-	-	-	-	-
Depreciation	-	-	0.05	-	14.93	14.98

**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
Sri. T. Gopichand	Key Management Personnel (Chairman & Managing Director), Spouse of Smt. T. Pavana Devi & Brother of T.Bapaiah Chowdary.	YES
Smt. T. Pavana Devi	Director & Spouse of Sri.T. Gopichand. (Retired w.e.f.17-08-2023)	YES
Sri. T. Madhu Mitra	Whole Time Director & Son of Sri. T. Gopichand (Appointed w.e.f. 17-08-2023)	YES
Sri.T.Bapaiah Chowdary	Director & Brother to the Chairman & Managing Director (Sri.T.Gopichand)	YES
Sri.T.Madhu Mitra	Son of Chairman & Managing Director	YES
Sri.T.Girish	Son of T.Bapaiah Chowdary	YES
Smt. T. Vindhya	Daughter-in-law of Sri.T.Gopichand (Chairman & Managing Director) & Smt T. Pavana Devi, Director	YES

Sri.OduruBabu Reddy	Chief Financial Officer (Resigned w.e.f 30-06-2023)	YES
Sri. Ch. Mallikarjuna	Company Secretary	YES
Sri. Divakar Atluri	Director	NO
Sri. Braja Bandhu Nayak	Director	NO
Sri. Hanuman Chowdary Tripuraneni	Director	NO
Smt. Laksmi VellatThozuvanoor	Director	NO
Kum. D. Pravallika	Chief Financial Officer	YES

**Transactions with Related parties:**

Name of the Related Party	Sri. T. Gopichand	Smt. T. Pavana Devi (Retired w.e.f. 17-08-2023)	Sri. T. Madhu Mitra (Appointed w.e.f. 17-08-2023)	Sri. T. Bapaiah Chowdary	Smt. T. Vindhya & Sri. T. Girish
Description of the nature of transactions	a) Remuneration b) Unsecured Loan Received c) Interest on unsecured loan	a) Sitting Fees b) Unsecured Loan Received c) Interest on Unsecured Loans	a) Remuneration	a)Sitting Fee b)Supply of Goods	Salary
Volume of the transactions either as an amount or as appropriate proportion	a) Managerial Remuneration of Rs. 104.00 lakhs b) Unsecured Loan Received of Rs. 0.00 Lakhs c) Interest on unsecured loan of Rs. 44.98 Lakhs d) Loan repaid of Rs. 0.00 Lakhs	a)Sitting Fee Paid Rs.0.50 lakhs. b) Unsecured Loan Received of Rs 0.00 Lakhs c) Interest on Unsecured Loans Rs. 15.64 Lakhs	a)Managerial Remuneration of Rs. 16.81 lakhs	a)Sitting Fee Paid Rs.1.61 lakhs. b)Total transaction value is Rs. NIL	Salary of Rs.12.82 lakhs and Rs.10.12 lakhs
Any other elements of the related party transactions	NIL	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.12.00 lakhs b) Unsecured Loan including interest Rs. 399.43 lakhs	a) Unsecured Loan including interest Rs 138.86 lakhs	a) Managerial Remuneration Payable Rs. 1.26 lakhs	Purchase of Goods (payable) Rs.21.29 Lakhs	Salary Payable of Rs. 1.08 lakhs, Rs.0.95 lakhs and Rs. 0.80 Lakhs
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	NIL

Name of the related Party	Sri. Oduru Babu Reddy, C.F.O (Resigned w.e.f. 30-06-2023)	Kum. D.Pravallika, C.F.O. (Appointed w.e.f. 31-12-2023)	Sri. Ch. Mallikarjuna, C.S.
Description of the nature of transactions	Salary	Salary	Salary

Volume of the transactions either as an amount or as appropriate proportion	Salary of Rs. 4.95 lakhs	Salary of Rs. 1.84 lakhs	Salary of Rs. 9.48 lakhs
The amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date	-	Salary Payable of Rs. 0.57 lakhs	Salary Payable of Rs. 0.77 lakhs

### 31. Financial instruments:

#### Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”

##### Capital Management

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

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

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

The following table summarizes the capital of the Company:

Rs.in Lakhs

Particulars	As at
	31-03-2024
A. Equity	<b>11,248.86</b>
B. Net debt	
Short-term borrowings and current portion of long-term debt	<b>2807.58</b>
Add: Long-term debt	<b>538.29</b>
Less: Cash and cash equivalents	<b>1523.20</b>
B. Total Net Debt	<b>1822.67</b>
<b>Total capital (A + B)</b>	<b>13071.53</b>

##### ◆ Market risk

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

##### ◆ Interest rate risk

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.

##### ◆ 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, 2024.

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	As at
	31-03-2024	31-03-2024
USD	4.01 (INR 334.39)	1.73 (INR 144.15)

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

Particulars	Foreign Currency Sensitivity
	As at 31-03-2024
	INR
<b>2% Depreciation in INR</b>	
Impact on P&L	9.57
<b>Total</b>	<b>9.57</b>
<b>2% Appreciation in INR</b>	
Impact on P&L	(9.57)
<b>Total</b>	<b>(9.57)</b>

**Credit risk management**

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

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

**Liquidity risk management**

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

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

**i. Category wise classification of applicable Financial Instruments:**

Sl. No.	Particulars	As at 31-03-2024
	Measured at Amortised cost	
<b>(i)</b>	<b>Financial Assets</b>	
a.	Trade receivables	12,420.20
b.	Cash & Cash Equivalents and bank balances (Includes Margin Money Deposits)	2,028.87
c.	Other financial assets	1,812.12
	<b>Total</b>	<b>16,261.20</b>
<b>(ii)</b>	<b>Financial Liabilities</b>	
	Measured at Amortised cost	
a.	Borrowings	2,807.58
b.	Trade payables	4,166.21
c.	Other financial liabilities	812.09
	<b>Total</b>	<b>7,785.88</b>

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

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

**Financial liabilities measured at amortised cost:**

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

**(iii) Maturity profile of financial liabilities** (Rs in Lakhs)

Particulars	As at 31-03-2024		
	Within Twelve Months	After Twelve Months	Total
Borrowings	2,807.58	-	2,807.58
Trade payables	4,166.21	-	4,166.21
Other financial liabilities	812.09	538.29	1,288.13

**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, 2024 comprise of the following: (Rs. in Lakhs)

Particulars		As at 31-03-2024
<b>A</b>	<b>Deferred Tax Liability / Asset</b>	
1	Related to fixed assets	3.25
<b>B</b>	<b>Deferred Tax Assets</b>	
1	Disallowance under the Income tax Act, 1961	209.89
<b>C</b>	<b>Deferred tax (Liability)/Asset (net)</b>	213.14

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

Particulars	As at 31-03-2024
Principal amount remaining unpaid	-
Delayed payments due as at the end of each accounting year on account of Principal	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-
Interest accrued and remaining unpaid as at March 31	-
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.	-

**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 2023-24
Gross Amount required to be spent during the year	-
Earlier Years	<b>0.37</b>
Amount spent during the year in Cash	
i) On Construction / acquisition of any asset	<b>Nil</b>
ii) On purposes other than (i) above	<b>0.37</b>
Unspent Amount	-

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. As per audited financial statements average net profit of the preceding three financial years is negative “ Rs- 4,09,49,007/-.”

Further, informed that, there is no need to spend on CSR activities in the financial year 2023-24.

### 36. Earnings Per Share

Particulars	FY 2023-24
Net Profit After Tax (Rs in lakhs)	<b>461.75</b>
Weighted Average Number of Equity shares of Rs.10 each (In lakhs)	<b>125.12</b>
Nominal Value of Shares	<b>10.00</b>
Earnings Per Share (Basic/Diluted) (In Rs.)	<b>2.75</b>

### 37. Disclosures of shareholding of Promoters and promotersgroup

Shares held by Promoters at the end of the year 31 March 2024				
S. No.	Name of the Promoter and Promoter Group	No of shares held (in lakhs)	% of total shares	% change during the year
1	Tummala Gopichand	11.97	9.56%	-
2	Tummala Pavana Devi	5.75	4.59%	-
3	Tummala Madhu Mitra	8.41	6.72%	-
4	Tummala Rajasekhar	28.25	22.58%	-
5	Tummala Bapaiah Chawdary	0.93	0.74%	-
6	Tummala Tulsi Rani	0.54	0.43%	-
7	N. Sri Durga	2.27	1.81%	-
8	Tummala Seetaramamma	1.37	1.09%	-

### 38. Ratios for the years ended March 31st 2024 are as follows:

	Particulars	Numerator	Denominator	31.03.2024
a)	Current Ratio	Current assets	Current liabilities	<b>1.94</b>
b)	Debt-Equity ratio	Total Debt	Shareholders' equity	<b>0.05</b>
c)	Debt service coverage ratio	Earnings available for debt service	Debt service	<b>2.81</b>
d)	Return on equity ratio	Net Profit after taxes	Equity	<b>0.03</b>
e)	Inventory turnover ratio	Turnover	Closing Inventory	<b>1789.88</b>
f)	Trade receivable turnover ratio	Turnover	Closing Receivables	<b>0.65</b>
g)	Trade payable turnover ratio	Purchases	Closing Payables	-
h)	Net capital turnover ratio	Net Sales	Working Capital	<b>1.02</b>
i)	Net profit ratio	Net profit after Tax	Net Sales	<b>0.04</b>
j)	Return on capital employed ratio	Earnings Before Interest & Taxes	Capital employed	<b>0.07</b>
k)	Return on Investment	Net income	Value of equity at the beginning	<b>0.03</b>



### 39. Trade Receivables

S.No.	Particulars	TOTAL	< 6 M	6 M - 1 Y	1 - 2 y	2 - 3 y	> 3 Y
<b>UNDISPUTED TRADE RECEIVABLES CONSIDERED GOOD</b>							
1	APSFL-AMC-PT	5,06,20,398	-	-	-	-	5,06,20,398
2	APSFL-Mis- works	64,67,085	-	-	-	-	64,67,085
3	Davanagere Smart City Limited	3,49,68,092	3,49,68,092	-	-	-	-
4	DVVNL UPPCL	10,54,24,890	10,54,24,890	-	-	-	-
5	GST Suvidha	4,76,130	4,76,130	-	-	-	-
6	Jharkhand Project (JAPIT)	7,74,04,589	-	-	7,74,04,589	-	-
7	Maharashtra IT Corporation Ltd	8,49,689	8,49,689	-	-	-	-
8	Bharat Electronics Limited- BEL	1,96,38,364	1,96,38,364	-	-	-	-
9	PVVNL UPPCL	8,24,01,601	8,24,01,601	-	-	-	-
10	WBSEDCL Order Oct 20 to Sep 23	8,03,98,516	8,03,98,516	-	-	-	-
	<b>Sub-Total</b>	<b>45,86,49,354</b>	<b>32,41,57,282</b>	-	<b>7,74,04,589</b>	-	<b>5,70,87,483</b>
<b>Disputed Trade Receivables considered Good</b>							
1	APSFL- BBNL	41,77,40,586	-	-	-	-	41,77,40,586
2	APSFL- O&M Service	42,99,99,259	-	-	-	-	42,99,99,259
	<b>Sub-Total</b>	<b>84,77,39,845</b>	-	-	-	-	<b>84,77,39,845</b>
	<b>Grand Total</b>	<b>1,30,63,89,199</b>	<b>32,41,57,282</b>	-	<b>7,74,04,589</b>	-	<b>90,48,27,328</b>

### 40. Unbilled dues from the clients:

S.No.	Particulars	TOTAL	< 6M	6M- 1Y	1-2Y	2-3Y	>3Y
1	Unbilled Receivable Odisha O&M	13,08,51,272	5,30,93,216	5,30,93,216	2,46,64,840	-	-
2	Unbilled Receivable RJIO Retail	3,86,25,873	-	-	3,86,25,873	-	-
3	Unbilled Receivable BEL	98,98,995	98,98,995	-	-	-	-
	<b>Total</b>	<b>17,93,76,140</b>	<b>6,29,92,211</b>	<b>5,30,93,216</b>	<b>6,32,90,713</b>	-	-

### 41. Trade Payables

S.No.	Particulars	TOTAL	<1Y	1-2Y	2-3Y	>3Y
1	Aabmatica Technologies Pvt Ltd	28,417	-	28,417	-	-
2	Altice Labs, S.A	3,34,40,393	-	-	-	3,34,40,393
3	Amilion Technologies Pvt Ltd	8,57,01,967	-	8,57,01,967	-	-
4	BVM IT Consulting Services India Pvt Ltd- Sub Cont.	4,85,283	4,85,283	-	-	-
5	Foregee Infotech- Setu Nashik	7,82,996	7,82,996	-	-	-
6	Hiliks Technologies Limited	15,612	-	15,612	-	-
7	KASH IT Solutions Ltd	1,84,66,467	1,84,66,467	-	-	-
8	Karthik Informatics Private Limited	21,45,072	21,45,072	-	-	-
9	Luminex Technosys Private Limited	84,54,622	84,54,622	-	-	-
10	Prakash Electricals	29,593	29,593	-	-	-
11	Praptham Tech Solutions Pvt Ltd	33,46,120	-	33,46,120	-	-
12	Raja Enterprises	21,28,757	-	-	-	21,28,757
13	Tejas Networks Limited	15,20,084	15,20,084	-	-	-
14	TVS Supply Chains Solutions Ltd	11,70,81,443	6,41,150	1,30,01,557	7,25,86,241	3,08,52,495
15	Unbilled Subcontracting expenses payable BEL	93,05,055	93,05,055	-	-	-
16	Vaibhu Infra Tech India Pvt Ltd- UPPCL	13,22,59,452	13,22,59,452	-	-	-
17	Amnex Info technologies Pvt Ltd	14,29,740	14,29,740	-	-	-
	<b>TOTAL</b>	<b>41,66,21,072</b>	<b>17,55,19,514</b>	<b>10,20,93,673</b>	<b>7,25,86,241</b>	<b>6,64,21,645</b>

As per our report of even date attached

#### For Narven Associates

Chartered Accountants  
FRN: 005905S

#### T. Madhu Mitra

Whole Time Director  
DIN: 07124242

#### T. Gopichand

Chairman & Managing Director  
DIN: 00107886

#### CA. G V Ramana

Partner  
M.No: 025995

#### D. Pravallika

Chief Financial Officer

#### Ch. Mallikarjuna

Company Secretary  
M.No. A47545

Place: Hyderabad  
Date: 27-05-2024

**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 30th Annual General Meeting of the Company, to be held on Monday, the 9th day of September, 2024 at 4.00 pm at # 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Telangana, India and at any adjournment thereof in respect of such resolutions indicated below:

Resolution No.	Particulars
Ordinary Business	Ordinary Resolutions
1	To consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2024 and the Reports of the Auditors and Directors thereon.
2	To appoint a Director in place of Sri. Tummala Bapaiah Chowdary (DIN: 00107795), who retires by rotation and being eligible offers himself for re-appointment.
Special Business	Special Resolution
3	To appoint Smt. Vemuri Usha Rani (DIN: 03601565) as an Independent Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

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)

**30th Annual General Meeting held on 9th September, 2024**

Full name of the members attending: \_\_\_\_\_

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

I hereby record my presence at the 30th Annual General Meeting of Tera Software Limited held on Monday, 9th September, 2024 at 4.00 pm at # 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Telangana, India.

\_\_\_\_\_  
(Member's /Proxy's Signature)

Note:

- Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 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.
- A Proxy need not be a member of the Company.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- 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.
- 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 28th 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 - 500 033, 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 30th Annual General Meeting of the Company held on 9th September, 2024 at 4.00 pm. at # 8-2-292/82/A/1107, Plot No.1107, Road No: 55, Jubilee Hills, Hyderabad – 500 033, Telangana, India. 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:

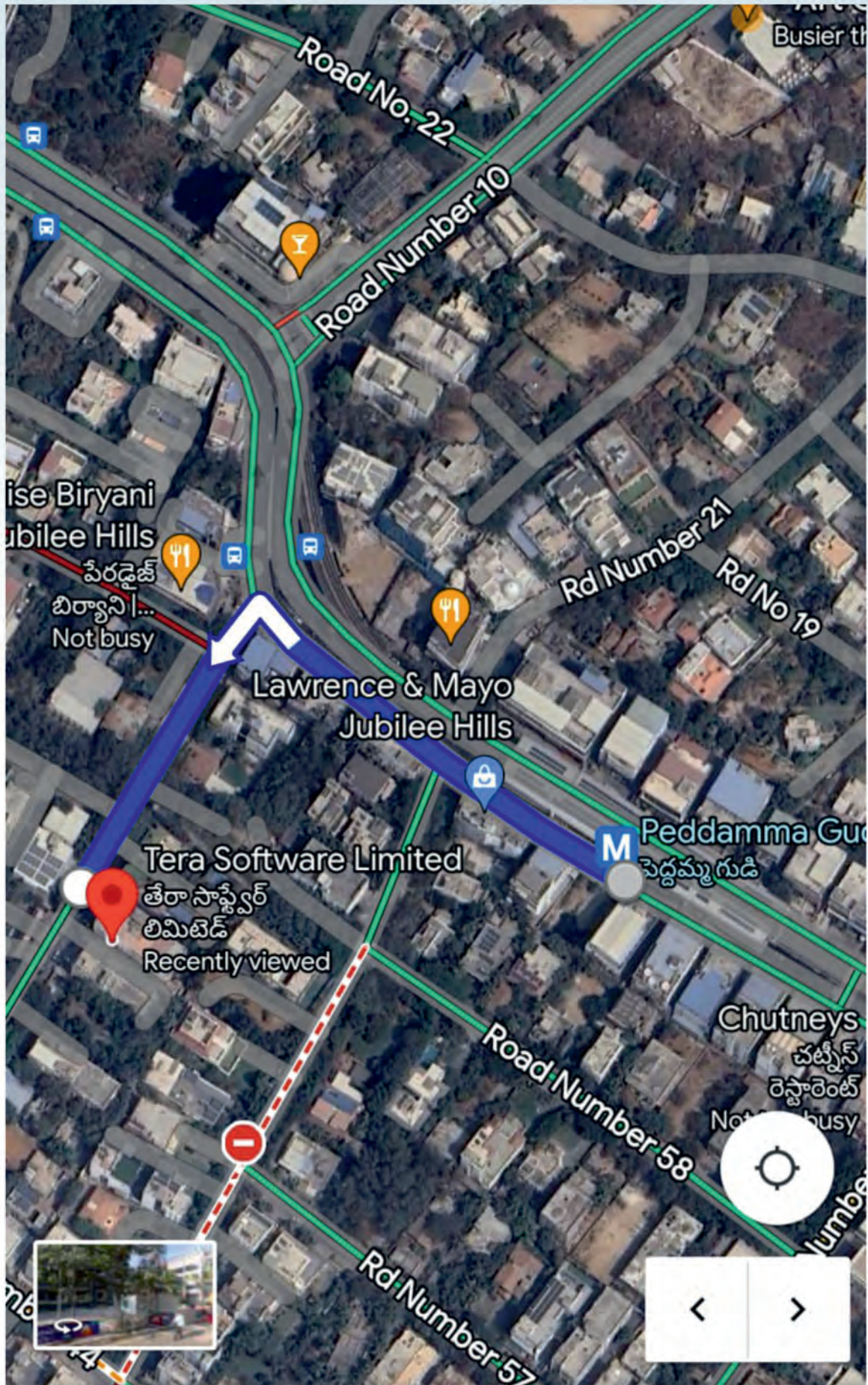
Sl. No.	Resolution (s)	Vote	
		For	Against
Ordinary Business	Ordinary Resolutions		
1	To consider and adopt the audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31 March, 2024 and the Reports of the Auditors and Directors thereon.		
2	To appoint a Director in place of Sri. Tummala Bapaiah Chowdary (DIN: 00107795), who retires by rotation and being eligible offers himself for re-appointment.		
Special Business	Special Resolution		
3	To appoint Smt. Vemuri Usha Rani (DIN: 03601565) as an Independent Director.		

Place: Hyderabad

Date:

(Signature of the Shareholder / Proxy)

# 30th AGM Venue Route Map





## **TERA SOFTWARE LIMITED**

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

**Tel:** +91-40-23547447, **E-mail:** [info@terasoftware.in](mailto:info@terasoftware.in)

**Website:** [www.terasoftware.com](http://www.terasoftware.com)