



*Tera Software Limited*

*20<sup>th</sup>*

*Annual Report*  
*2013-2014*

# Board of Directors



**Sri. D. Seetharamaiah**  
Chairman



**Dr. T. Hanuman Chowdary**  
Director



**Sri. R.S. Bakkannavar**  
Director



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



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



**Sri. K. Rama Rao**  
Wholetime Director



**Sri. T. Bapaiah Chowdary**  
Director



**Smt. T. Pavana Devi**  
Director



**Sri. Koteswara Rao SSR**  
Additional Director

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## **Cautionary Statement**

The report contains certain statements that include forward looking statements based on current expectations, beliefs or assumptions about future events that are subject to uncertainties. They may differ materially from those described. However readers are advised not to rely upon these forward looking statements which do not guarantee future performance and are subject to a number of risks and uncertainties. This report should be read in conjunction with the financial statements included herein and the notes thereto.

# Tera Software Limited



## BOARD OF DIRECTORS

Sri D. SEETHARAMAIAH	CHAIRMAN
Sri R. S. BAKKANNAVAR	DIRECTOR
Dr. T. HANUMAN CHOWDARY	DIRECTOR
Dr. T. V. LAKSHMI	DIRECTOR
Sri T. BAPAIAH CHOWDARY	DIRECTOR
Smt. T. PAVANA DEVI	DIRECTOR
Sri K. RAMA RAO	WHOLE TIME DIRECTOR
Sri T. GOPICHAND	VICE CHAIRMAN and MANAGING DIRECTOR

## REGISTERED OFFICE

# 8-2-293/82/A/1107,  
Plot No: 1107, Road No: 55,  
Jubilee Hills, Hyderabad-500033  
Tel : 040-2354 0446, 040 - 2354 7447/8  
Fax : 040 - 2354 7449  
E-Mail : [info@terasoftware.com](mailto:info@terasoftware.com)  
Url : [www.terasoftware.com](http://www.terasoftware.com)

## AUDITORS

M/s. NARVEN ASSOCIATES  
Chartered Accountants  
302 & 303, Lingapur House,  
Himayat Nagar, Hyderabad - 500029.

## BANKERS

BANK OF MAHARASHTRA,  
Basheerbagh,  
Hyderabad - 500029.

## CANARA BANK

Prime Corporate Branch  
T S R Complex, S P Road,  
Secunderabad -500003.

## REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited  
Plot No.17-24, Vittalrao Nagar, Madhapur,  
Hyderabad - 500 081, India.  
Ph : 040 44655000, Fax : 040 23354042.  
E-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## TERA SOFTWARE LIMITED

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

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

**Email:** [info@terasoftware.in](mailto:info@terasoftware.in) ; **Website:** [www.terasoftware.com](http://www.terasoftware.com)

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Tera Software Limited will be held on Tuesday, 30<sup>th</sup> September, 2014 at 3.00 p.m. at Jubilee Hills International Center, Road No.14, Jubilee Hills, Hyderabad – 500033, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Smt. T. Pavana Devi (DIN: 00107698), who retires by rotation and being eligible, offers herself for reappointment.
4. Appointment of Statutory Auditors

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

**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. S. Narven Associates, Chartered Accountants (Registration No. 005905S), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 20<sup>th</sup> Annual General Meeting up to the conclusion of the 23<sup>rd</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent Annual General Meeting) at a remuneration as may be decided in this behalf by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board be and hereby authorized to take all steps as may be necessary and expedient to give effect to this resolution.

### SPECIAL BUSINESS:

#### 5. Appointment of Sri Koteswara Rao SSR as Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri Koteswara Rao SSR (holding DIN:00964290), who has been appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this annual general meeting till the conclusion of the 25<sup>th</sup> AGM of the Company.

#### 6. Appointment of Dr T. Hanuman Chowdary as Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr T.Hanuman Chowdary (DIN:00107006), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from conclusion of this annual general meeting up to the conclusion of the 25<sup>th</sup> AGM of the Company.

#### 7. Appointment of Sri R. S. Bakkannavar as Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri R.S. Bakkannavar

(DIN:00108720), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from conclusion of this annual general meeting up to the conclusion of the 25<sup>th</sup> AGM of the Company.

## 8. Appointment of Dr T. V. Lakshmi as Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr T. V. Lakshmi (DIN:00003020), an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from conclusion of this annual general meeting up to the conclusion of the 25<sup>th</sup> AGM of the Company.

## 9. To accord approval for doubling limits of remuneration payable to managerial personnel specified in Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013 in case of Company having no profit or inadequate profit in any financial year

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**RESOLVED THAT** in partial modification of the Resolution No.6 passed at the Annual General Meeting of the Company held on 30<sup>th</sup> August, 2011 and pursuant to the provisions of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification (s) or re-enactment thereof for the time being in force) or any amendment made thereto, the members of the Company accord approval for doubling limits of remuneration payable to managerial personnel specified in Para-A, Section II, Part-II of Schedule V of the Companies Act, 2013 in case of Company having no profit or inadequate profit in any financial year to Sri. T. Gopichand, Vice Chairman and Managing Director during the tenure of his appointment with authority to the Board or a Committee thereof to fix his salary within such maximum amount, with effect from 1<sup>st</sup> April, 2014, for the remainder of his term up to 31.08.2016.

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

## 10. To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**RESOLVED THAT** in supersession of the Ordinary Resolution passed by the Members of the Company at the Extra-Ordinary General Meeting held on 2<sup>nd</sup> day of April, 2012, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), for borrowing from time to time such sum(s) of money, not exceeding at any time, a sum of Rs. 1,000 Crore (Rupees One Thousand Crore Only) for the purpose of business of the Company notwithstanding, that such borrowing(s), together with the moneys already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

## 11. To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**RESOLVED THAT** in supersession of the Ordinary Resolution passed by the Members of the Company at the Extra-Ordinary General Meeting held on 2<sup>nd</sup> day of April, 2012, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) pursuant to the provisions of Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 1,000 Crore (Rupees One Thousand Crore Only).

## 12. Alteration of Articles of Association of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders be and is hereby accorded to the Company to amend the Articles of Association of the Company in the following manner:

- i) Substitution of new Article 1 in place of the existing Article 1  
The regulations contained in Table F of Schedule I of the Companies Act, 2013, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company.
- ii) Substitution of new Article 3(a) in place of the existing Article 3 (a):  
Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- iii) Substitution of new Article 28 (c) in place of the existing Article 28 (c):  
An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- iv) Substitution of new Article 29 (a) in place of the existing Article 29 (a):
  - (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- v) Substitution of new Article 31 (a) & (b) in place of the existing Article 31 (a) & (b):  
Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every member present in person shall have one vote; and  
On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
  - (b) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- vi) Substitution of new Article 36(a) in place of the existing Article 36(a):  
Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3 (three) or more than 15 (fifteen).
- vii) Substitution of new Article 55 (d) in place of the existing Article 55 (d):  
The Company shall keep and maintain Registers, Books and Documents required by the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) to the extent applicable to the Company from time to time.  
The Registers, Books and Documents as provided in the foregoing Article shall (i) subject to such restrictions as provided in the Companies Act, 2013 and rules made there under (including any statutory modification or reenactment thereof) and on payment of such fees as may be decided by the Board of Directors of the Company, be open to persons so authorized/entitled for inspection and extracts may be taken there from on working days except Saturdays and Sundays between 11.00 AM to 1.00 PM and
  - (ii) copy thereof may be required by such persons who are entitled for the same and on payment of such fees as may be decided by the Board of Directors of the Company. Provided that the fees (in case of (a) or (b) above) so decided by the Board, in any case shall not exceed the maximum fees prescribed, in respect of inspection or for copies thereof, as the case may be, for respective document/register, under the Companies Act, 2013 and rules made there under from time to time.
- viii) Substitution of new Article 62 in place of the existing Article 62:  
The Managing Director, Executive Director or such other Wholtime Director may be liable to retirement by rotation in his Director capacity.
- ix) Substitution of new Article 63 in place of the existing Article 63:  
Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**By Order of the Board of Directors**

Sd/-

(T. Gopichand)

**Vice Chairman and Managing Director**

Place: Hyderabad  
Date: 07.08.2014

## Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members / proxies are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. The Register of Members and Share Transfer Books will remain closed from 22<sup>nd</sup> September, 2014 to 27<sup>th</sup> September, 2014 (both days inclusive).
6. Members whose shareholding is in the electronic mode are requested to inform change of address and updates of savings bank account details to their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
7. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 081, India.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID and Demat numbers for easy identification of attendance at the meeting.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.

### ELECTRONIC VOTING PARTICULARS

EVSN ( Electronic Voting Sequence Number)	User ID	Password / PIN
EVENT_NO	USER_ID	PWD

### E-Voting instructions:-

1. The Company Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, is extending e-voting facility for its Members to enable them to cast their vote electronically instead of participating and voting physically in the Annual General Meeting. The Company has appointed Mr.K.CH. Venkat Reddy of M/s C.V. Reddy K & Associates, Practicing Company Secretaries who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
2. The e-voting facility will be available at the link <http://evoting.karvy.com> during the voting period.
3. The login ID and password for e-voting along with process, manner and instructions for e- voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
4. Members are requested to note that the e-voting will open on 22<sup>nd</sup> September, 2014 and shall remain open for 3 days i.e. upto 24<sup>th</sup> September, 2014. E-voting shall not be allowed beyond 6 p.m on 24<sup>th</sup> September, 2014.
5. The procedure and instructions for e-voting are as follows:
  - i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
  - ii. Enter the login credentials (i.e., user-id & password) provided to you as mentioned overleaf.
  - iii. Please contact toll free no. 1-800-34-54-001 for any further clarifications.



- iv. After entering these details appropriately, click on "LOGIN".
- v. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1<sup>st</sup> login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. 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, system will prompt to select the 'Event' i.e., 'Company Name'.
- viii. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- ix. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- x. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii. Corporate/Institutional members (corporate/FIs/FLLs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to investor@terasoftware.in with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- xiii. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xiv. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.terasoftware.com and on the website of Karvy's website (https://evoting.karvy.com) within two (2) days of passing of the resolutions at the AGM of the Company and communication to the Stock Exchange.

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

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.5 to 12 of the Notice dated 7<sup>th</sup> August, 2014.

### Item No. 5:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act 2013 and the Articles of Association of the Company, Sri Koteswara Rao SSR as an Additional Director of the Company with effect from August 7<sup>th</sup>, 2014. In terms of the provisions of Section 161(1) of the Act Sri Koteswara Rao SSR would hold office up to the date of the ensuing Annual General Meeting.

Sri Koteswara Rao SSR is a Member of the Institute of Chartered Accountants of India and the Senior Partner of Brahmayya & Co., Chartered Accountants. He was Regional Council Member of SIRC of ICAI during 1985-1992 and was its Chairman during 1990-1992. He was the President of Federation of Andhra Pradesh Chamber of Commerce & Industry, member of Andhra Pradesh State Financial Corporation and Tirumala Tirupati Devasthanams Trust Board. He is presently a Director in Sanzyme Ltd., Kakatiya Textiles Ltd., Deccan Auto Ltd., and Corona Bus Manufactures Pvt. Ltd., and Treasurer in Vignana Jyothi - a non profitable organisation working in field of education.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Sri Koteswara Rao SSR for the office of Director of the Company. Sri Koteswara Rao SSR is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Sri Koteswara Rao SSR that he meets with the criteria of independence as prescribed both under section 149(6) of the Act and under Clause 49 of the Listing Agreement.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Sri Koteswara Rao SSR is appointed as an Independent Director and accordingly, the Board recommends his appointment as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 5 (five) years for your approval.

Save and except Sri Koteswara Rao SSR and his relatives, to the extent of their shareholding interest, if any, in the Company and Sri D. Seetharamaiah (father in law of Sri Koteswara Rao) an Independent Director of the Company who is not seeking re-election at the ensuing AGM none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested financially or otherwise in the resolution set out at item no: 5 of the Notice.

## **Item No. 6, 7 & 8:**

The Company had appointed each of Dr. T. Hanuman Chowdary, Sri R. S. Bakkannavar and Dr.T. V. Lakshmi as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

Dr. T. Hanuman Chowdhary was the General Manager and Deputy Director General in the Department of Telecommunication. Founder Chairman and Managing Director of India's International Telecom Corporation, the Videsh Sanchar Nigam Limited. He was the Information Technology Advisor to the Government of AP and a Member of the Prime Minister's National Task Force on Information Technology.

Sri.R.S. Bakkannavar has over three decades of rich experience in banking sector providing guidance on project financing.

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

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June, 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office up to the conclusion of 25<sup>th</sup> AGM.

The Company has received from each of Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi are interested in the resolutions set out respectively at Item Nos. 6, 7, & 8 of the Notice with regard to their respective appointments.

The relatives of Dr.T.Hanuman Chowdary, Sri R.S.Bakkannavar and Dr.T.V.Lakshmi may be deemed to be interested in the resolutions set out respectively at Item Nos. 6, 7, & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 6, 7, & 8 of the Notice for approval of the members.

## **Item No.9:**

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

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