



Tera Software Limited

Annual Report

2014-15

Board of Directors



Sri Koteswara Rao SSR
Chairman



Dr. T. Hanuman Chowdary
Director



Sri R.S. Bakkannavar
Director



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



Sri K. Rama Rao
Wholetime Director



Sri T. Bapaiah Chowdary
Director



Smt. T. Pavana Devi
Director



Dr. T.V. Lakshmi
Director

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Disclaimer

In this Annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

BOARD OF DIRECTORS

Sri KOTESWARA RAO SSR	CHAIRMAN
Sri R. S. BAKKANNAVAR	DIRECTOR
Dr. T. HANUMAN CHOWDARY	DIRECTOR
Dr. T. V. LAKSHMI	DIRECTOR
Sri T. BAPAAIAH CHOWDARY	DIRECTOR
Smt. T. PAVANA DEVI	DIRECTOR
Sri K. RAMA RAO	WHOLE TIME DIRECTOR
Sri T. GOPICHAND	VICE CHAIRMAN & 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
Url : 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
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Hyderabad - 500 032
Tel: +91-040-67162222; Fax:040-23001153;
Toll Free No: 1800-3454-001
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.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 **Website:** www.terasoftware.com**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the members of Tera Software Limited will be held on Wednesday, 30th September, 2015 at 3.00 PM 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 Audited Balance Sheet as at 31st March 2015, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Sri K. Rama Rao, (DIN: 00108659) who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the continuation of the Statutory Auditors.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 20th AGM held on 30th September, 2014 the appointment of M/s. Narven Associates, Chartered Accountants (Registration No. 05905S), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 22nd AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

By Order of the Board of Directors

Sd/-

(T. Gopichand)

Vice Chairman and Managing Director

Place: Hyderabad

Date: 30.05.2015

Notes:

1. A statement giving the relevant details of the Director seeking re-appointment under Item Nos. 3 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. Members / proxies are requested to bring their attendance slip along with their copy of annual report to the Meeting.
4. The Register of Members and Share Transfer Books will remain closed from 21st September, 2015 to 26th September, 2015 (both days inclusive).
5. 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.

6. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
7. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
9. The business set out in the Notice will also be transacted through electronic voting system (e-voting facility) and as required the Company is providing the said e-voting facility to its members. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members, who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by an e-mail.
10. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility. The e-voting facility will be available at the link <https://evoting.karvy.com> and instructions and other information relating to e-voting are given in this Notice under Note No. 14.
11. The members are requested to note that apart from aforesaid e-voting facility, ballot or polling paper will also be made available at the meeting to enable them to exercise their voting right at the meeting.
12. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
13. All documents referred to in the notice are open for inspection at the Corporate Office of the Company during office hours on all working days except public holidays, between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.

14. Information and other instructions relating to e-voting are as under:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Clause 35B of the Listing Agreement, the Company is extending facility of voting by electronic means (e-voting facility) to its members enabling them to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- ii. Under this mode the members may either cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') or at the venue of the meeting (insta poll). The insta poll facility shall be made available at the Meeting to enable the members attending the Meeting who have not cast their vote by remote e-voting can vote at the Meeting through 'Insta Poll'.
- iii. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. September 23, 2015 is fixed as cut-off date for e-voting facility purpose and accordingly a person whose name is recorded in the register of members (either in physical form or in dematerialisation form) as on the cut-off date only are entitled to avail the e-voting facility based on the paid up value of shares held as on that date.

- v. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 23, 2015, is requested to contact Karvy to get the details relating to his/her user-id and password. Members may call the Karvy's toll free number 1-800-34-54-001 or send an email request to e-voting@karvy.com or info@terasoftware.in
- vi. The Board of Directors of the Company has appointed Mr.K.CH. Venkat Reddy of M/s C.V. Reddy K & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the insta poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed as such.
- vii. The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than three days of conclusion of the Annual General Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.terasoftware.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchange.
- viii. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2015.
- ix. Members are requested to note that the remote e-voting will open at 09.00 A.M. (IST) on September 26, 2015 and shall remain open till 05.00 P.M. (IST) on September 29, 2015 and the remote e-voting module will be disabled by Karvy after 05.00 P.M. on September 29, 2015.
- x. The procedure and instructions for remote e-voting are as follows:
 - 1) In case a Member receives an email from Karvy Computershare Private Limited [for members whose email IDs are registered with the Depository Participants(s)]:
 - a. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - b. Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the E-Voting Event Number for Tera Software Limited.
 - g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

- h. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - i. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
 - j. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to info@terasoftware.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format ____ (Corporate Name) ____ (EVENT NO.)
- 2) In case a Member receives physical copy of the Notice by post [for members whose email IDs are not registered with the Depository Participants(s)]:
 - i. User ID and initial password - These will be sent separately.
 - ii. Please follow all steps from Sr. No. (a) to (j) as mentioned in (1) above, to cast your vote.
 3. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 4. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

**Details of Directors seeking appointment/ re-appointment at the forthcoming
Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	K. Rama Rao
Date of Birth	10/07/1947
Date of Appointment	30/09/2000
Qualification	M.Sc.
Expertise in specific functional areas	38 + Years experience in IT industry and worked at all levels viz. Pm, PL, Analyst Programmer and Programmer.
No. of Shares held in the Company	NIL
List of companies in which Directorship held as on 31.03.2015	NIL
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on 31.03.2015	NIL

By Order of the Board of Directors

Place: Hyderabad
Date: 30.05.2015

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

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the Twenty First Annual Report for the financial year ended March 31, 2015.

Summarized Financial Highlights:

(Rs. in Lakh)

PARTICULARS	Year Ended 31.03.2015	Year Ended 31.03.2014
Gross Income	9,325.99	10,278.83
Expenditure	7,434.66	7950.56
Profit before Finance Cost, depreciation & tax	1,891.33	2328.27
Less: Finance Cost	719.69	899.36
Depreciation	630.74	1,002.47
Profit before tax	540.90	426.44
Less: Provision for Current tax	127.96	369.02
Tax Expense relating to earlier years	0.51	0
Deferred tax	49.99	(144.91)
Profit for the year	362.44	202.33

Company Performance

Your Company posted a turnover of Rs. 9,325.99 lakh for the year ended 31st March, 2015 as against Rs. 10,278.83 Lakh in 2013-14. Your Company has registered a net profit of Rs.362.44 Lakh, as compared to previous year's net profit of Rs. 202.33 Lakh representing an increase of 179% over the previous year.

No Material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend:

Your Directors have recommended a dividend of Re.0.80/- per equity share i.e. 8% on each equity share having face value of Rs.10/- each, subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be Rs. Rs.120.11 Lakh (including dividend tax).

Share Capital

The paid up Equity Share Capital as on 31st March, 2015 was 12.51 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

Economic Scenario and Outlook

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent latest forecast. India is expected to grow at 6.3 per cent in 2015, and 6.5 per cent in 2016 when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook.

With the introduction of the concept of e-governance, both the Central and State Governments are keen in implementing different projects to keep the activities of the Governments transparent, timely and cost effective.

E-governance in India is steadily evolving from basic digitization of government data and processes to actually facilitating delivery of various citizen services on-line. A common vision and strategy is being deliberated and firmed up across all levels of government Central, State and local bodies. This approach has huge potential in garnering cost savings, increasing transparency, and presenting a seamless view of government to citizens. Digital Technologies which include Cloud Computing and Mobile Applications have emerged as catalysts for rapid economic growth and citizen empowerment across the globe. Digital technologies are being increasingly used by us in everyday lives from retail stores to government offices. They help us to connect with each other and also to share information on issues and concerns faced by us. In some cases they also enable resolution of those issues in near real time.

Hon'ble Prime Minister vision of a digital India is transforming our nation and creating opportunities for all citizens by harnessing digital technologies. His vision is to empower every citizen with access to digital services, knowledge and information.

Vision of Digital India Centered on 3 Key Areas

- Digital Infrastructure as a Utility to Every Citizen
- Governance & Services on Demand
- Digital Empowerment of Citizens

A well connected citizen to government eco system has huge potential for both the partners. Citizens will continue to enjoy speedy, transparent and convenient services, whilst the government gets increasingly integrated into the community welfare and more importantly is in a position to focus real time on reallocation of resources where they are needed the most. A social transformation happens when citizens are empowered to help themselves in dealing with various government segments, saving time and money for all concerned and elevating overall levels of satisfaction for common man.

Tera Software is positioned to entrench into the following schemes announced by the Government under Digital India initiatives.

- Infrastructure as a Utility to Every Citizen
- High speed internet as a core utility
- Mobile phone & Bank account enabling participation in digital & financial space
- Easy access to a Common Service Centre
- Services available in real time from online & mobile platform
- All citizen entitlements to be available on the cloud
- Making financial transactions electronic & cashless
- Universal Digital Literacy - Universally accessible digital resources - All documents/ certificates to be available on cloud
- Collaborative digital platforms for participative
- Process Re-engineering using IT to improve transactions
- Use of online repositories e.g. school certificates, voter ID cards, etc.
- Integration of services and platforms - UIDAI, Payment Gateway, Mobile Platform, EDI Workflow automation inside government
- Technology for Education - e-Education
- Technology for Health - e-Healthcare - Online medical consultation- Online medical -Pan-India exchange for patient information
- Common Service centers
- Aadhaar based Direct Cash (e-Cash) Transfers
- Aadhaar based Pension schemes.