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**Board of Directors**

Mr. Sanjiv Gupta	:	Chairman
Mr. Pal Natarajan	:	Managing Director
Mr. Vikram Simha T.	:	Director
Mr. Ramanujam Kuppusamy	:	Director
Mr. Sriram Nimmagadda	:	Director
Mr. Shankaraiah Arram	:	Director
Mr. Katragadda Rajesh	:	Director

**Company Secretary**

Ms. G. Pushkarini

**Auditors**

Gokhale & Co.,  
Chartered Accountants  
3-6-322, Off No.306, Mahavir House  
Basheerbagh, Hyderabad- 29

**Bankers**

HDFC Bank Ltd  
Banjara Hills branch,  
Hyderabad.

**Registered Office**

10th Floor, Unit No-2, (Right Wing),  
Vega Block the 'V', Plot No 17,  
Software Units Layout, Hitech City,  
Madhapur, Hyderabad- 500 081  
Andhra Pradesh, INDIA.

Phones: +91-40-66222333

Fax: + 91-40-66222444

Email: cosecy@bodhtree.com

Website: www.bodhtree.com

**Registrar & Share Transfer Agents:**

Karvy Computershare Private Limited  
Plot No 17 to 24, Vittalrao Nagar  
Madhapur, Hyderabad-500 081

Phones: 040-44655000

Fax: 040-23420814

Email: einward.ris@karvy.com

**NOTICE**

Notice is hereby given that the Thirty First Annual General Meeting of **Bodhtree Consulting Limited** will be held at Crystal-II hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad- 500032, Andhra Pradesh, INDIA, on **Friday, the 28<sup>th</sup> June, 2013 at 10.00 A.M.** to consider the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2013, the Profit and Loss Account for the year ended on that date, and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjiv Gupta, Director who retires by rotation, and is eligible for reappointment.
3. To appoint a Director in place of Mr. Torpunuri Vikram Simha, Director who retires by rotation, and is eligible for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

5. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Sri. Ramanujam Kuppusamy, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."
6. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Sri. Shankaraiah Arram, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."
7. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Sri. Rajesh Katragadda, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation."

By Order of the Board

Place: Hyderabad  
Date : 16<sup>th</sup> May, 2013

Sd/-  
**Pal Natarajan**  
Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than 48 hours before the commencement of the meeting. The Proxy form is attached separately.
2. The register of members and share transfer books of the company will remain closed from 24<sup>th</sup> June, 2013 to 28<sup>th</sup> June, 2013 (both days inclusive).
3. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s Karvy Computer share Pvt. Ltd. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
4. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
5. Members are requested to come to the venue of the meeting well in advance for registration. No registration will be entertained after fifteen minutes of the commencement of the meeting.
6. Consequent upon the introduction of Section 109 A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate to the company.
7. Members desirous of getting any information about the accounts and / or operations of the company are requested to write to the company at least seven days before the date of the meeting to enable the company to keep the information ready at the meeting.
8. Pursuant to the requirements on the Corporate Governance under the Listing Agreement entered into with the Stock Exchanges, the information about the directors proposed to be re-appointed is given in the annexure to the notice.
9. Trading in the Equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is **INE104F01011**.
10. The members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.

**Details of Directors seeking re-appointment at the up-coming 31st Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)**

(a) As required under the listing Agreement, the particulars of Director, Mr. Sanjiv Gupta, who is proposed to be re-appointed are given below:

a	Name	Mr. Sanjiv Gupta
b	Brief Resume	
	i) Age	51 years
	ii) Educational Qualification	B.Com
	iii) Experience in specific functional area	He has over 25 years of successful entrepreneurial experience.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	03-11-1999
c	Nature of expertise in functional area	He founded Bodhtree Ltd to offer niche Web Services expertise to the industry and tied up with reputed organizations like Hewlett-

		Packard and AU System (Sweden). He expanded the company into other high-growth areas like Data Quality Management and Business Analytics and partnered with leading healthcare giants in the US. He initiated a Strategic Business Unit within the company focused on offering New Media Delivery and Archival services to the publication industry and has led it to become a separate corporate entity called Pressmart Media Limited. He has also co-founded Trylah, a first-of-its kind B2B mobile search classified service based in Malaysia and expanding rapidly across the South East Asia. He is also the co-founder of 24x7guru.com, an education E-Assessment portal – the only portal of its kind that has already served over 2.7 million students offline.
d	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies act, 1956)	<ol style="list-style-type: none"> <li>1. Mas Trading And Investments (P) Ltd</li> <li>2. Culinary Cuisines Private Ltd</li> <li>3. Mystic Accessories Private Ltd</li> <li>4. Ad Smart Media Services Private Ltd</li> <li>5. Perks (India) Private Ltd</li> <li>6. Artflute Gallery Private Ltd</li> <li>7. Bodhtree Solutions Private Ltd</li> <li>8. Mobileo2 Technologies Private Ltd</li> <li>9. Normak Fashions Private Ltd</li> </ol>
e	Name(s) of Companies in which committee Membership(s) held	Nil
f	No. of shares of Rs.10/- each held by the Director	8,66,100
g	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act,1956)	Nil

(b) As required under the listing Agreement, the particulars of Director, Mr. T. Vikram Simha who is proposed to be re-appointed are given below:

a	Name	T. Vikram Simha
b	Brief Resume	
	i) Age	46 years
	ii) Qualification	MBA and a Master's degree in Engineering, both from Texas A&M University and Bachelors in Engineering from Osmania University
	iii) Experience in specific functional area	He has over 20 years of Management Consulting experience emphasizing on business strategy, business intelligence, finance and project management.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	06-05-2011

c	Nature of expertise in functional area	As serial tech entrepreneur, he has founded several companies that specialize in translating corporate strategy into actionable components and build enabling technology solutions that help executives make better decisions. He is actively taking part in several non-profit organizations that focus on education and primary health.
d	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies act, 1956)	1. e2e Analytix Technologies Pvt Ltd 2. Pressmart Media Ltd 3. Centramed Technologies India Pvt. Ltd
e	Name(s) of Companies in which committee Membership(s) held	Nil
f	No. of shares of Rs. 10/- each held by the Director	1,81,567
g	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Nil

**Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956**

**ITEM NO. 5**

The particulars of Director, Mr. Ramanujam Kuppusamy, who is proposed to be appointed as a director are given below:

a	Name	Mr. Ramanujam Kuppusamy
b	Brief Resume	
	i) Age	69 years
	ii) Educational Qualification	CPA
	iii) Experience in specific functional area	He has been a practicing accountant in Singapore for the last 31 years having established Rama & Company, a reputed and well-respected accounting firm, as its Managing Partner. He is also Chairman of Prudential Public Accounting Corporation, which is one of the well-established accounting corporations in Singapore.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	24-12-2012
c	Nature of expertise in functional area	He was a founder partner of Messrs.'Pannel Kerr Forster, an international accounting firm, when they commenced operations in Singapore in 1985. He is well known among the Indian Community and business houses in Singapore and South East Asia.
d	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies act, 1956)	1. Thejasvin Securities Private Limited 2. Seven Hills Enterprises Private Limited 3. Mercury Capital Private Limited
e	Name(s) of other Companies in which committee Membership(s) held	Nil

f	No. of shares of Rs.10/- each held by the Director	2,10,400
g	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Nil

The Board considered that the co-option of Mr. Ramanujam Kuppusamy would immensely help the Company in various fronts and appointed him as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f. 24<sup>th</sup> December, 2012, who holds office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri Ramanujam Kuppusamy for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Companies Act, 1956, any such proposal ought to be approved by the members in their meeting. Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri Ramanujam Kuppusamy is interested in the above said resolution.

**ITEM NO. 6**

The particulars of Director, Mr. Shankaraiah Arram, who is proposed to be appointed as a director are given below:

a	Name	Mr. Shankaraiah Arram
b	Brief Resume	
	i) Age	71 years
	ii) Educational Qualification	Ph.D.
	iii) Experience in specific functional area	He is a well-known and distinguished Professor in Management with rich experience, he discharged the role of registrar twice at Kakatiya University, later he has progressed to become Dean of various departments.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	24-12-2012
c	Nature of expertise in functional area	Currently he is serving as a Director of a Post-Graduate college and was instrumental in taking the college to great heights. He is also a member of Andhra Pradesh Productivity Council, where thousands of computer experts/literates pass out annually. He is a Regional Director of Central Government sponsored "Jana Sikshana Samastha" (JSS) with a social cause of upbringing the lower sections of the society.
d	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies act, 1956)	--
e	Name(s) of other Companies in which committee Membership(s) held	Nil
f	No. of shares of Rs.10/- each held by the Director	Nil
g	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Nil

In view of the versatile experience and knowledge of Mr. Shankaraiah Arram, the Board co-opted him as additional director on the Board w.e.f. 24<sup>th</sup> December, 2012, who holds office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri Shankaraiah Arram for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Companies Act, 1956, any such proposal ought to be approved by the members in their meeting. Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri Shankaraiah Arram is interested in the above said resolution.

**ITEM NO. 7**

The particulars of Director, Mr.Rajesh Katragadda, who is proposed to be appointed as a director are given below:

a	Name	Mr. Rajesh Katragadda
b	Brief Resume	
	i) Age	37 years
	ii) Educational Qualification	Master's Programme in International Business, International Marketing.
	iii) Experience in specific functional area	He played an active role in decision making at the Management and Operational levels in National and Multi-National companies. He coordinated and communicated with the offshore and onshore teams, identified the key challenges and processed them based on organization's goals and vision document.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	10-05-2013
c	Nature of expertise in functional area	He was worked in different cultural backgrounds in USA and UK and discharged roles as the key single point of contact for the Migration of process in the domain areas of Trade Reconciliations, Wealth Management, Credit Ratings, Reference data Management, Transfer Agency and Stock broking projects companies etc.... encompassing Banking and Financial service domain.
d	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies act, 1956)	New Era Medical Solutions Private Limited
e	Name(s) of other Companies in which committee Membership(s) held	Nil
f	No. of shares of Rs.10/- each held by the Director	Nil
g	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Nil



The Board considered that the co-option of Mr. Rajesh Katragadda would help the Company in reaching heights and appointed him as an additional Director under Section 260 of the Companies Act, 1956 w.e.f. 10<sup>th</sup> May, 2013, who holds office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a Member of the Company along with a deposit of Rs.500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri Rajesh Katragadda for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Companies Act, 1956, any such proposal ought to be approved by the members in their meeting. Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri Rajesh Katragadda is interested in the above said resolution.

By Order of the Board

Place: Hyderabad  
Date : 16<sup>th</sup> May, 2013

Sd/-  
**Pal Natarajan**  
Managing Director

## DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirty First Annual Report on the operations of your Company and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2013, together with the Auditors' Report thereon.

### PERFORMANCE OF THE COMPANY:

Your Company's results for the year in comparison with the previous year are given below in a summarized format:

Particulars	Rs. in Lakhs	
	2012-13	2011-2012
Income from Operations	4286.81	4,343.22
Other Income	60.75	78.53
<b>Total Income</b>	<b>4347.55</b>	<b>4,421.75</b>
Operating Expenditure	4854.55	4,181.67
Profit (Loss) before depreciation & Tax	(507)	240.08
Depreciation	80.09	81.98
<b>Operating Profit (Loss)</b>	<b>(587.09)</b>	<b>158.10</b>
Prior Period & Exceptional Items	121.34	94.43
Profit before Tax & Extra-Ordinary Items	(708.43)	63.67
Extra-ordinary Items	0	0
Tax Expense / (Reversal)	(41.47)	56.28
<b>Profit (Loss) after tax</b>	<b>(669.97)</b>	<b>7.39</b>

### FINANCIAL PERFORMANCE:

During the year under review the Company reported a total income for the year Rs.4347.55 Lakhs against Rs.4421.75 Lakhs in the previous year. The Operating profit (Loss) amounted to (Rs.587.09) Lakhs as against Rs.158.10 Lakhs in the previous year. The Company reported loss primarily due to increased man power costs and other overheads. Due to slow-down in overall IT industry and decrease in IT expenditure of big companies the projects initially planned were not taken-up by the customers causing the company to incur losses as substantial amount has been spent by hiring the man power and by setting-up the facilities on expectation of major projects which have become unutilized.

### DIVIDEND:

Your Directors regret to inform that they do not recommend any dividend for the financial year 2012-13.

### CAPITAL:

During the year the Company has issued and allotted 21,04,000 equity shares of Rs.10/- each at a premium of Rs.15/- to specified allottees on preferential basis.

### TRANSFER TO RESERVES:

There is no transfer to reserves during the year under review.

### DIRECTORS:

During the year Mr. A. Shankaraiah and Mr. K. Ramanujam have been co-opted as Additional Directors w.e.f. 24<sup>th</sup> December, 2012 and Mr.K.Rajesh has been co-opted as Additional Director w.e.f. 10<sup>th</sup> May, 2013 to act as

Independent Directors. Notices in writing under Section 257 read with Section 190 of the said Act, along with a deposit of 500/- each proposing their candidature for the office of Director of the Company have been received to appoint them as Directors of the Company whose period of office shall be determinable by retirement of Directors by rotation.

During the year Mr.Muktesh Sharma, Mrs. Aruna Rani E and Mr.Ch.D.V.V. Prasad resigned from the directorship of the Company w.e.f. 28<sup>th</sup> September, 2012; 10<sup>th</sup> November, 2012 and 2<sup>nd</sup> April, 2013 respectively. Mr. Sanjiv Gupta and Mr. Vikram Simha will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**DIRECTORS' RESPONSES ON THE QUALIFICATION MADE BY THE STATUTORY AUDITORS IN THE AUDITORS REPORT:**

No quantification has been done on the fall of investments made in M/s. Pressmart Media Ltd. and M/s.Learnsmart (India) Private Ltd. The Board of Directors is of the view that appropriate provision will be made in the books of accounts once the quantification is done. Keeping this in view, steps are being initiated for determining the value of investments in Pressmart Media Ltd and M/s.Learnsmart (India) Private Ltd.

**DEPOSITS:**

During the year, the Company has not accepted any deposits covered under the provisions of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of the Deposit Rules), 1975 and as such, no amount of principal or interest was outstanding as on the balance sheet date.

**PARTICULARS REQUIRED UNDER SEC 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, FOR THE YEAR UNDER REVIEW ARE AS UNDER:**

No employee of the Company was in receipt of remuneration, during the financial year 2012-2013, in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm as follows:

1. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2013 the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2013 on a going concern basis.

**ADDITIONAL PARTICULARS:**

The additional particulars as required by Sec. 217(1)(e) of the Companies Act, 1956, are applicable to your company only in respect of Foreign Exchange inflow and outgo.

The details are as follows:

(In Rupees)

Particulars	2012-13	2011-12
Value of Imports – CIF Basis	Nil	Nil
Expenditure in Foreign Currency	12,582,425.54	3,745,370
Foreign Currency Earnings – FOB basis	2,534,179,81.00	273,266,648

**AUDITING SYSTEM:**

- i. The financial statements have been audited by M/s. Gokhale & Co., Chartered Accountants, the independent Auditor.
- ii. The audit committee of your Company meets periodically with the internal auditor to review the performance of internal audit, to discuss the nature and scope of the internal auditor's functions, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the statutory auditor and the internal auditor have full and free access to the Members of the Audit Committee to discuss any matter of substance.

**AUDITORS:**

M/s. Gokhale & Co., Chartered Accountants, present Statutory Auditors of the Company, retires at ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Statutory Auditors of the Company. Necessary confirmation has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**PERSONNEL:**

Your Company's employees are integral to the Company's success. They have played a significant role and enabled the Company to deliver credible performance year after year. The Board of Directors acknowledges the contribution and efforts put in by the employees of the Company.

**INDUSTRIAL RELATIONS:**

Your Company has had harmonious relations throughout the year at all levels of the organization, and would endeavor to maintain this cordial relationship in the future. Your Directors wish to place on record their deep sense of appreciation for the valuable work done and cooperation extended by the employees at all levels.

**CORPORATE GOVERNANCE:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure to this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A report on the Management Discussion and Analysis for the year under review is annexed hereto and forms part of the Annual Report.

**ACKNOWLEDGEMENTS:**

Your Directors express their sincere appreciation and gratitude to HDFC Bank, Banjara Hills Branch, Hyderabad, for their continued support and to all employees, shareholders, customers, partners, vendors and various statutory authorities, who have extended their immense support to the Company.

For and on behalf of the Board

Place: Hyderabad  
Date : 16<sup>th</sup> May, 2013

**Sd/-**  
**Pal Natarajan**  
Managing Director

**Sd/-**  
**A. Shankaraiah**  
Director

## ANNEXURE – I TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

#### i. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is to provide highest transparency, and adherence to ethical values to build strong Corporate Governance systems. It endeavors to ensure adherence to the Code of Corporate Governance to enhance the benefit of shareholders, employees, lenders and customers. The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management.

#### II. BOARD OF DIRECTORS:

The Board of Directors presently comprises of 7(seven) Directors, having versatile knowledge, out of which 6 (six) are Non-Executive Directors. The Company has a Non-Executive (Promoter) Chairman. The Independent Directors are more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

The composition of the Board, attendance at Board meetings (BM) held during the financial year under review and attendance at the last Annual General Meeting (AGM), number of directorships and memberships in public limited Companies and committees (including the Company) are given below:-

Name of the Director	Category	Attendance particulars			As on date		
		Board Meetings		Last AGM	No. of other Directorships <sup>6</sup>	Committee Positions <sup>7</sup>	
		Held	Attended			Member	Chairman
Sanjiv Gupta	Non-executive Chairman, Promoter	6	6	Yes	1	0	0
Pal Natarajan	Managing Director	6	6	Yes	2	1	0
T. Vikram Simha	Non-executive Non-Independent Director	6	1	No	2	0	0
N.Sriram	Non-executive Independent Director	6	4	No	1	2	0
A.Shankaraiah <sup>3</sup>	Non-executive Independent Director	6	1	No	1	2	2
K.Ramanujam <sup>3</sup>	Non-executive Independent Director	6	0	No	1	1	0
K.Rajesh <sup>5</sup>	Non-executive Independent Director	6	0	No	1	1	0
Muktesh Sharma <sup>1</sup>	Non-executive Independent Director	6	2	No	1	0	0
Aruna Rani E <sup>2</sup>	Non-executive Non-Independent Director	6	4	No	1	0	0
Ch.D.V.V.Prasad Rao <sup>4</sup>	Non-executive Independent Director	6	6	Yes	3	0	0

1. Resigned w.e.f. 28<sup>th</sup> September, 2012

2. Resigned w.e.f. 10<sup>th</sup> November, 2012

3. Appointed as additional director w.e.f. 24<sup>th</sup> December, 2012

4. Resigned w.e.f. 2<sup>nd</sup> April, 2013

5. Appointed as additional director w.e.f. 10<sup>th</sup> May, 2013

6. Other than Directorships in Private Limited Companies, Section 25 Companies, Foreign Companies and Associations

7. Only Audit Committee and Shareholder' Grievances Committee positions

During the year under review, six (6) Board meetings were held on 14<sup>th</sup> May, 2012; 3<sup>rd</sup> August, 2012; 18<sup>th</sup> September, 2012; 10<sup>th</sup> October, 2012; 10<sup>th</sup> November, 2012 and 14<sup>th</sup> February, 2013.

Your Company holds minimum of four board meetings in each year with maximum time gap of three months between any two meetings. Additional Board meetings will be convened by giving appropriate notice to address the urgent needs of the Company. The Board may also approve permitted matters by passing resolution by circulation.

### III. COMMITTEES OF DIRECTORS:

#### a) Audit Committee:

The Company constituted a Qualified and Independent Audit Committee comprising of Three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Committee is empowered with the powers as prescribed under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time. The Audit Committee has adequate powers to play effective role as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges.

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S.No.	Name of the Director	Designation	No. of meetings held during the period	No. of Meetings attended
1	A.Shankaraiah*	Chairman	4	1
2	K.Ramanujam*	Member	4	1
3	N.Sriram	Member	4	4
4	K.Rajesh@	Member	N.A.	Nil
5	Ch.D.V.V.Prasad Rao**	Chairman	4	2
6	Muktesh Sharma#	Chairman	4	2
7	Aruna Rani E##	Member	4	2
8	Pal Natarajan**	Member	4	2

\*Appointed as members of Audit Committee w.e.f. 14<sup>th</sup> February, 2013

@Appointed as member of Audit Committee w.e.f.16<sup>th</sup> May, 2013

\*\* Appointed as members of Audit Committee w.e.f. 10<sup>th</sup> November, 2012, Mr. Pal Natarajan ceased to be member of audit committee w.e.f. 14<sup>th</sup> February, 2013

# Resigned w.e.f. 28<sup>th</sup> September, 2012

## Resigned w.e.f. 10<sup>th</sup> November, 2012

Mr.Ch.D.V.V.Prasad Rao, Member of the Audit Committee attended the last Annual General Meeting of the Company representing Audit Committee.

Managing Director, Senior Vice President, GM – Finance, Statutory Auditors and Internal Auditors are also invited to the meetings, as required, to brief the Committee Meetings. Internal Auditors would report their findings and recommendations to the Committee directly at the meetings.

Audit Committee meetings were held during the year under review on 14<sup>th</sup> May, 2012; 3<sup>rd</sup> August, 2012; 10<sup>th</sup> November, 2012 and 14<sup>th</sup> February, 2013. The Company Secretary will act as Secretary for the meetings.

#### b) Remuneration Committee:

Remuneration Committee was duly constituted in accordance with the requirements of Schedule XIII to the Companies Act, 1956 and Listing Agreement. The Remuneration Committee is authorized subject to the provisions of Companies Act, 1956 and the consent of members, to negotiate, finalize and approve the terms of appointment for Managing Directors/Whole time Directors and other Senior Executives on behalf of the Company. The composition of remuneration committee is as follows:

S.No.	Name of the Director	Designation
1	A.Shankaraiah	Chairman
2	K.Ramanujam	Member
3	N.Sriram	Member

Chairman and members of the Remuneration Committee are Independent Non-Executive Directors.

The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

The details of remuneration and other benefits paid during the year to the Managing Director as follows:

(Amt in Rs.)

Name of Director	Salary & allowances	Other Benefits	Designation	Gross Remuneration
Pal Natarajan	30,00,000	-	Managing Director	30,00,000

#### For Non-Executive Directors:

An amount of Rs.6,000/- is paid for each Board Meeting and Committee Meeting attended and reimbursement of expenses and incidental expenses.

The details of shareholding are as follows:

Name of the Director	No. of shares held on 31-03-2013
Sanjiv Gupta	8,66,100
T. Vikram Simha	1,81,567
N.Sriram	NIL
A.Shankaraiah	NIL
K.Ramanujam	2,10,400
K.Rajesh	NIL
Aruna Rani Elimineti#	NIL
Ch.D.V.V Prasad Rao#	NIL
Muktesh Sharma#	NIL

# Ceased to be the directors.

Other than payment of sitting fees to Non-executive Directors, there was no material pecuniary relationship or transaction with the Company to the respective directors.

#### c) Shareholders' Grievances Committee:

The present composition of the Shareholders/ Investors' Grievance Committee is as under:

S.No.	Name of the Director	Designation
1	A.Shankaraiah	Chairman
2	Pal Natarajan	Member
3	N.Sriram	Member

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer, to approve share transfers/transmissions and comply with other formalities in relation thereto.

All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending investor complaints pertaining to the Financial Year ended 31<sup>st</sup> March, 2013.

#### IV. GENERAL BODY MEETINGS:

##### i) The location and time of the last three Annual General Meetings are as follows:

Year	Location	Date& Time	Special Resolutions
2011-12	Crystal-II Hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad-500032	28.09.2012 11.00 A.M.	No Special Resolution
2010-11	# 8-2-351/N/1, Road No 2, Banjara Hills, Hyderabad-034	30.09.2011 10.00 A.M.	Appointment of Managing Director
2009-10	Hotel Tulip Manohar, Begumpet, Hyderabad	29/09/2010 5.00 P.M.	No Special Resolution

##### ii) Special Resolutions passed in Extra-Ordinary General Meetings:

Year	Date& Time	Special Resolutions
2012-13	05.11.2012	Consent under Section 81 (1A) of the Companies Act, to issue shares on preferential basis
2011-12	30.05.2011 (Court Convened Meeting)	Consent to merge Advanced Consulting Partners (India) Pvt. Ltd, with the Company
2010-11	No Extra Ordinary General Meeting of the Members was held during the year	

#### V. OTHER DISCLOSURES:

##### i) Disclosures on Materially Significant Related Party Transactions:

Besides the transactions mentioned else wherein the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

##### ii) Details of Non-Compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock



Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the capital markets.

**iii) Whistle Blower Policy:**

As per Internal Code of Conduct the employees have been given access to the Audit Committee.

**iv) CEO/CFO Certification:**

The Managing Director (CEO) and Chief Financial Officer have certified and submitted a certificate on the financial results and other compliance of statutory requirements, to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2013.

**v) Compliance Certificate:**

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report.

**vi) Code of Conduct:**

The Company has posted the Code of Conduct for Directors and Senior Management on its website. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31<sup>st</sup> March, 2013. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this report.

**vii) Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:**

The Company has complied with the mandatory requirement of Clause 49 and is in the process of implementation of Non-mandatory requirements.

**viii) Relationships inter-se among Directors:**

No Director is related to any other Director on the Board in terms of provisions of Section 6 read with Schedule 1A of the Companies Act, 1956.

**VI. MEANS OF COMMUNICATION:**

Your Company complied with the requirements of Clause 41 of the Listing Agreement. Quarterly Results, Half Yearly and Annual Results are normally published in the Business Standard (English Newspaper) and Andhra Prabha (Telugu- Regional).

The Financial Results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website [www.bodhtree.com](http://www.bodhtree.com).

Management Discussion & Analysis forms part of the Annual Report.

**VII. GENERAL SHAREHOLDER INFORMATION:**

<b>a. Annual General Meeting:</b>			
<b>Date and time</b>	28 <sup>th</sup> June, 2013 at 10.00AM		
<b>Place</b>	Crystal-II Hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad-500032.		
<b>b. Financial Year</b>	1 <sup>st</sup> April, 2012 to 31 <sup>st</sup> March, 2013		
<b>c. Date of Book Closure</b>	24 <sup>th</sup> June, 2013 to 28 <sup>th</sup> June, 2013 (Both days inclusive)		
<b>d. Dividend Payment Date</b>	N.A.		
<b>e. Listing on Stock Exchanges</b>	The Madras Stock Exchange Limited		
<b>f. Demat ISIN No. in NSDL &amp; CDSL for Equity shares</b>	1NE104F01011		
The listing fee and custodial fee was paid upto date to the Stock Exchanges and Depositories.			
<b>g. Market Price Data: High, Low No. of shares traded during each month in last financial year</b>	There has been no significant trading in the shares of the company during the year under review		
<b>h. Registrar and Transfer agents</b>	M/s Karvy Computershare Pvt. Ltd. Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081.		
<b>i. Share transfer system</b>	To expedite the process of share transfers, the Board of the company has delegated the power of share transfer to Registrar and Transfer agents. Demat requests are normally confirmed within 21 days from the date of receipt of request. Pursuant to Clause 47(C) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary certifying due compliance of shares transfer formalities.		
<b>j. Distribution of shareholding as on 31.03.2013</b>	<b>Group</b>	<b>No. of shares</b>	<b>%</b>
	Promoter	11361600	64.75
	Individual investors	2844216	16.21
	Bank & Institutions	100000	0.57
	Bodies corporate	1013618	5.78
	Others	2226733	12.69
	<b>Total:</b>	<b>17546167</b>	<b>100</b>
<b>k. Dematerialization of shares and Liquidity</b>	27.29% of the shares have been dematerialized up to 31 <sup>st</sup> March, 2013. Trading in Equity shares of the company is permitted only in Dematerialized form.		
<b>l. Outstanding GDRs/ADRs/warrants or convertible bonds, conversion date and likely impact on the equity</b>	The Company has not issued any GDR's / ADR's/warrants / Convertible bonds.		
<b>m. Registered Office and Address for correspondence</b>	10 <sup>th</sup> Floor, Unit No-2, (Right Wing), Vega Block the 'V', Plot No 17, Software Units Layout , Hitech City, Madhapur, Hyderabad-500 081 Andhra Pradesh, INDIA. Phones: +91-40-66222333 Fax: + 91-40-66222444 Email: cosecy@bodhtree.com, Website: www.bodhtree.com		

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**ANNEXURE – II TO THE DIRECTORS' REPORT**

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**MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT:**

As per NASSCOM's Strategic Review 2013, uncertainty and moderation of economic activity across the world was the highlight of the year – the high degree of uncertainty left an indelible impact on the IT-BPM industry. The Indian IT-BPM industry has rapidly evolved in terms of expanding their vertical and geographic markets, attracting new customers, transforming from technology to strategic partners – thus cementing India's position as the premier global sourcing landscape, share for 52% in 2012 (50% in 2011).

Future growth will be from a combination of higher value services, increasingly non linear play and further extension of cost proposition. Indian IT-BPM industry has already begun moving from enterprise services to providing 'enterprising solutions' incorporating SMAC (social, mobile, analytics cloud) to create client impact on not only cost, but also revenues, profit margins and cash flows.

**OPPORTUNITIES AND THREATS:****Indian IT-BPM industry – transforming from enterprise services to enterprising solutions**

The Indian IT-BPM industry has exhibited rapid evolution – in terms of expanding their vertical and geographic markets, attracted new customer segments, transformed from technology partners to strategic business partners imbibing a shared vision, offering considerably wider spectrum of services over the years. Growth has been both organic and inorganic, resulting in the emergence of the first Indian MNCs- over 580 global centres in over 75 countries delivering IT-BPM services. At the same time there has been no let down in focus on operational efficiencies.

The global slowdown has impacted the revenues of the IT-BPM sector as well as the growth. While the global slowdown, increasing competition from new countries, and rising protectionist measures in the wake of job losses in developed countries have slightly dimmed the prospects for exports of IT and ITeS services, a great opportunity is waiting in India's domestic market with increasing technology adoption within the government sector and the small and medium business (SMB) sector.

India should gear up to the value chain in software services. Equally important is the need to focus on the large domestic sector where there is a huge opportunity which, if tapped could also lead to lower costs due to scale economies. To address the rising wages in the urban BPO space, there is a need to move more towards rural areas, for which skill development, and English language training with American and different European accents is necessary.

**FUTURE OUTLOOK ON RISKS AND CONCERNS:**

The global economy is set to improve 2013 onwards simultaneously, BRIC economies are emerging as sources of innovation. Technology changes are also opening new opportunities to IT industry. To be competitive, take-up new projects and achieve the next level of growth, industry stakeholders need to work on five core areas:

- Establish world class infrastructure, enhance corporate governance, risk/security framework
- Significantly improving the quality of education
- Establish India as an innovation hub & foster entrepreneurship
- Social change through tech-enabled healthcare, education, financial, public services
- Exploit opportunities in new, emerging geographies, underpenetrated verticals and customers.

FY 2012-13 has been a year of transition & transformation as the industry continued on its growth trajectory transitioning from enterprise services to “enterprising solutions”. These are not standard lift and shift solutions – our clients expect the industry to tell them what is best, suggest changes, improve and replace existing workflows. Today the vendor has to be a lot more enterprising, display entrepreneurship to ensure a service delivery that is IP driven and productized, involves global delivery and talent, served over multiple platforms,

has the customer at the centre of every module, and is transformative in nature. Customers want solutions that do not have capex involved, and today vendors have to design then as a pay as you go model, and recover their costs on a gain-share basis. The Indian IT-BPM industry is leading the drive to design solutions incorporating SMAC (social, mobile, cloud, analytics) to offer innovative, enterprising answers. These enterprising solutions are able to create client impact on not only cost, but also revenues, profit margins and cash flows.

**OVERVIEW OF OPERATIONS:**

The financial performance of the company has come down compared to the previous year. The company has invested huge amounts for development of better infrastructural facilities in long term point of view. The Company booked a loss of Rs. 708.43 Lakhs before tax and extra ordinary items.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The members are informed that the Company has been accredited with quality standards of ISO 9001:2008. Apart from this, the Company has adequate internal controls commensurate with the size and operations.

Periodical internal quality audits and management review meetings ensure successful implementation of the Quality Management System. The ISO 9001: 2008 compliance will seamlessly integrate all the intra and inter-departmental activities of the organization, simultaneously ensuring effective monitoring of the operations of the organization. Surveillance audit for continuation of ISO certification will be conducted by external auditors.

In addition, the Company has appointed Independent Internal Auditors to carry out the internal audit on a regular basis. The internal audit is supplemented by external audit, and periodic review by the Management.

**HUMAN RESOURCES:**

Your company has rationalized its human resources effectively. The approach of the company has been to nurture talent and inculcate a sense of belonging amongst its personnel. The Company provides an environment which encourages initiative, innovative thinking, and rewards performance. The Company ensures training and development of its personnel through succession planning, job rotation, on- the- job training and various training programs and workshops.

**CAUTIONARY STATEMENT:**

Statements in the “Management Discussion and Analysis” describing the Company's objectives, estimates, expectations or projections may be “forward looking statements” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

**MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S (CFO) CERTIFICATION**

We have reviewed the Financial Statements, read with the Cash Flow Statement of Bodhtree Consulting Limited for the year ended 31<sup>st</sup> March 2013, and that to the best of our knowledge and belief, we state that:

1.
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and Audit Committee:
  - i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements, and
  - ii) There are no instances of fraud involving the management or an employee.

Place: Hyderabad  
Date : 16-05-2013

**Sd/-**  
**Pal Natarajan**  
Managing Director

**Sd/-**  
**L.N. Rama Krishna**  
Head-Finance

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

As provided under Clause 49 I(D)(ii) of the Listing Agreement , I hereby declare that the Company has adopted a Code of Conduct for Directors and senior management personnel of the Company.

A statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel for the year 2012-13, and such statement of allegiance will be obtained on an annual basis from all the Directors, senior management personnel.

For Bodhtree Consulting Ltd.

Place: Hyderabad  
Date : 16-05-2013

**Sd/-**  
**Pal Natarajan**  
Managing Director

**GOKHALE & CO**

Chartered Accountants

3-6-322, Off No. 306, Mahavir House, Basheerbagh, Hyderabad 500 029  
Phone Numbers: 2322 1167, 2322 8874 email: gokhaleandco@gmail.com

To

The Members of  
Bodhtree Consulting Limited,

**CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of the requirements of Corporate Governance by Bodhtree Consulting Limited for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the requirements is the responsibility of the Management. Our examination has been limited to the procedures and implementation thereof, adopted by the Company, for ensuring such compliance. This examination is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the abovementioned Listing Agreement.

The above compliance however is not an assurance of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gokhale & Co  
Chartered Accountants  
ICAI Registration No: 000942S

**Sd/-**  
**Chandrashekhar Gokhale**  
Partner  
Membership No: 023839

**GOKHALE & CO**

Chartered Accountants

3-6-322, Off No. 306, Mahavir House, Basheerbagh, Hyderabad 500 029  
Phone Numbers: 2322 1167, 2322 8874 email: gokhaleandco@gmail.com

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**INDEPENDENT AUDITORS' REPORT**

To  
The Members  
Bodhtree Consulting Limited  
Hyderabad.

**Report On The Financial Statements**

We have audited the accompanying financial statements of Bodhtree Consulting Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Managements' Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

- i. *Investment in equity shares of Pressmart Media Limited is being shown in the Balance Sheet at cost of Rs. 672 lakhs. We are of the opinion that there is a fall in the value of this investment which is 'other than temporary.' The book value of investment as per the audited financial statements as at March 31, 2012 (Audited Financial Statements as on March 31, 2013 not available as on the date of report) is Rs. 209.88 lakhs. Had the company provided for the difference amount of Rs. 462.12 lakhs as diminution in the value of investment, the loss for the year would have been higher by the said amount.*

- ii. *The company has invested an amount of Rs. 50.50 lakhs in equity capital of Learnsmart India Private Limited. In addition to this an advance of Rs. 3.40 crores and a debit balance of Rs. 19.06 lakhs is receivable from the above named company. Based on the past performance of the company and the audited financial statement as on March 31, 2012 Audited Financial Statements as on March 31, 2013 not available as on the date of report) we are of the view that there is a fall in the value of investment which is 'other than temporary.' The recovery of the advance and the receivable also appears to be difficult. In view of this the company should have made a provision for the probable losses both for the investment as well as the advance amount. If the company had provided for the probable loss, the loss for the year would have been higher by the said amount.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date,
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have 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 appears from our examination of those books;
  - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, subject to the observations made in the 'basis for qualified opinion' paragraph, the Balance Sheet and Statement of Profit and Loss comply with the accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the Directors, as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Gokhale & Co**  
Chartered Accountants  
FRN:000942S

**Chandrashekhar Gokhale**  
Partner  
Membership No. 023839

Place: Hyderabad  
Date: 16.05.2013



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## ANNEXURE

As required by the Companies ( Auditor's Report ) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956 ( 1 of 1956 ) and on the basis of such checks, as we considered appropriate, we further report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- (c) Some Fixed Assets have been disposed off during the year. However, the same does not affect the going concern of the entity.
- (ii) As the Company is service Sector Company it does not have any inventory.
- (iii) (a) The company has made the following advances to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (a) Learnsmart India Private Limited – Rs. 3,39,56,501/-
  - (b) Pressmart Media Limited -Rs. 33,547/-

The company has not charged any interest on the above mentioned advance. In our opinion as given in the 'Basis for Qualified Opinion Paragraph' in 'Independent Auditors' Report' the recovery of the above mentioned advance is doubtful.

- (b) According to the information and explanation given to us, the Company has not taken any loan from parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets, inventory and sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) Transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered. In our opinion and based on the information and explanation given to us transactions of the value of Rs. 5 lakhs or more have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The company has an internal audit system commensurate with the size and nature of its business
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) There is a considerable delay in depositing undisputed statutory dues including provident fund, service tax and income tax during the financial year. However, according to explanations and information given to us there were no undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other statutory dues outstanding for a period of more than six month from the date they became payable.
- (x) The company has accumulated losses at the end of the financial year, however the accumulated losses is less than fifty percent of the Networth of the company as at the end of the financial year. The company has incurred Cash loss during the financial year. The company has not incurred any

Cash losses in the preceding financial year.

- (xi) The company has not defaulted in repayment of any dues to its banks in respect of loans taken by it and there are no dues payable to financial institutions.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the company has not taken any term loans during the financial year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us the price at which the shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company did not issue any debentures during the period.
- (xx) The Company has not raised any money through a public issue during the period.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period.

**For Gokhale & Co**  
Chartered Accountants  
FRN 000942S

**Chandrashekhar Gokhale**  
Partner  
Membership No 023839

Place: Hyderabad  
Date: 16.05.2013

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

Sl. No.	Particulars	Note No.	As At 31-Mar-2013 ₹	As At 31-Mar-2012 ₹
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholder's Funds</b>			
	(a) Share Capital	1	175,461,670	154,421,670
	(b) Reserves and Surplus	2	56,042,573	91,179,678
	<b>(2) Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	3	3,190,656	3,972,010
	(b) Deferred Tax Liabilities (Net)		-	4,618,370
	(c) Long Term Provisions	4	3,985,699	5,238,023
	<b>(3) Current Liabilities</b>			
	(a) Short-Term Borrowings	5	23,478,129	23,900,000
	(b) Trade Payables	6	20,703,052	9,802,487
	(c) Other Current Liabilities	7	56,905,194	32,475,220
	(d) Short-Term Provisions	8	8,497,178	15,534,095
	<b>Total Equity &amp; Liabilities</b>		<b>348,264,151</b>	<b>341,141,553</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>(1) Non-Current Assets</b>			
	(a) Fixed Assets	9		
	(i) Tangible		35,981,113	46,763,532
	(ii) Intangible		3,786,004	5,067,948
			<b>39,767,117</b>	<b>51,831,480</b>
	(b) Non-current investments	10	72,287,409	76,019,578
	(c) Long term loans and advances	11	8,278,385	14,133,816
	<b>(2) Current Assets</b>			
	(a) Inventories	12	10,112,569	6,226,000
	(b) Trade receivables	13	132,960,788	123,631,825
	(c) Cash and cash equivalents	14	4,260,362	6,076,165
	(d) Short-term loans and advances	15	80,597,521	63,222,690
	<b>Total Assets</b>		<b>348,264,151</b>	<b>341,141,553</b>

**NOTES TO ACCOUNTS**

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Per & subject to our report of even date.

For **Gokhale & Co**  
Chartered Accountants  
FRN 000942S

For and on behalf of the Board

**Chandrashekhar Gokhale**  
Partner  
Memb. No : 023839

**Pal Natarajan**  
Managing Director

**A. Shankaraiah**  
Director

Place: Hyderabad  
Date: 16.05.2013

G. Pushkarini  
Company Secretary

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2013**

Sl. No.	Particulars	Note No.	As At 31-Mar-2013 ₹	As At 31-Mar-2012 ₹
I	Revenue from operations	16	428,680,863	434,321,855
II	Other Income	17	6,074,634	7,853,297
III	<b>III. Total Revenue (I +II)</b>		<b>434,755,496</b>	442,175,152
IV	<b>Expenses:</b>			
	Cost of Material Consumed	18	19,902,105	19,026,398
	Employee Benefit Expense	19	344,152,217	286,241,388
	Financial Costs	20	12,518,844	3,777,810
	Depreciation and Amortization Expense	21	8,008,899	8,197,774
	Other Expenses	22	108,883,068	109,121,676
	<b>Total Expenses (IV)</b>		<b>493,465,133</b>	426,365,046
V	Profit before exceptional and extraordinary items and tax (III - IV)		(58,709,637)	15,810,106
VI a	Exceptional Items	23	(12,134,239)	(9,452,704)
VII	Profit before extraordinary items and tax (V - VI - VI a)		(70,843,876)	6,357,402
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		(70,843,876)	6,357,402
X	<b>Tax expense:</b>			
	(a) Current year tax		-	959,338
	(b) Wealth Tax		-	40,055
	(c) Foreign Taxes Withheld		471,600	-
	(d) Deferred Tax / (Reversal)		(4,618,370)	4,618,370
XI	Profit(Loss) from the period from continuing operations (IX-X)		(66,697,106)	739,639
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		(66,697,106)	739,639
XVI	Earning per equity share:			
	- Basic & Diluted		(4.18)	0.10
F	- Nominal value per equity share		10	10
	- Weighted average number of equity shares outstanding during the year		15,968,167	7,153,295

Per & subject to our report of even date.

For **Gokhale & Co**  
Chartered Accountants  
FRN 000942S

For and on behalf of the Board

**Chandrashekhhar Gokhale**  
Partner  
Memb. No : 023839

**Pal Natarajan**  
Managing Director

**A. Shankaraiah**  
Director

Place: Hyderabad  
Date: 16.05.2013

G. Pushkarini  
Company Secretary

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	2012-13	2011-12
I	<b>Cash Flows from Operating Activities</b>		
	Profit Before Tax and Extra-Ordinary Items as per P&L Account	(59188685)	6367352.00
	<b>Adjustments for:</b>		
	Depreciation & Amortisation	8008899	8197774.00
	(Profit)/Loss on sale of Fixed assets	7997541	10023047.00
	Exceptional Items Recognised	3732169	580293.00
	Exchange differences on Translation of FCY cash & cash Equivalents	(5614122)	(137104.00)
	Interest on Unsecured Loans	3516716	2172544.00
	Interest on secured Loans	628393	492221.00
	Other Finance Charges	8373735	1113045.00
	<b>Operating Profit before Working Capital Changes</b>	<b>(32545354)</b>	28809172.00
	<i>Adjustments for Working Capital Changes:</i>		
	(Increase)/Decrease in Sundry Debtors	(7743035)	(63894984.00)
	(Increase)/Decrease in Work-in-Progress	(3886569)	(6226000.00)
	(Increase)/Decrease in Deposits & Advances	17085517	(966627.00)
	Increase/(Decrease) in Trade Payables	11385890	9802487.00
	Increase/(Decrease) in Current Liabilities	(13351421)	7297640.00
	Increase/(Decrease) in Provisions	23980803	10554221.00
	Cash Generated From Operations	(5074168)	(14624091.00)
	Income Tax paid during the year	0	0.00
	Cash Flows before Extra-Ordinary Items	(5074168)	(14624091.00)
	Exceptional/Extraordinary Items	(12126790)	(580293.00)
	<i>Net Cash flow from Operating Activities</i>	<b>(17200958)</b>	(15204384.00)
II	<b>Cash Flows from Investing Activities</b>		
	Purchase Of Fixed Assets	(6388831)	(20910643.00)
	Proceeds from Sale of Fixed Assets	2446754	3010505.00
	Increase/(Decrease) in Loans & Advances	(28135117)	
	<i>Net Cash Flow from Investing Activities</i>	<b>(32077194)</b>	(17900138.00)
III	<b>Cash Flows from Financing Activities</b>		
	Proceeds From Equity Share Capital	52600000	0.00
	Interest Paid on Secured/Unsecured Loans	(4145109)	(709475.00)
	Proceeds From Short Term Borrowings	0	23900000.00
	Short Term Borrowings	(421871)	
	Other Finance Costs	(8373735)	(1113045.00)
	Loan taken/(Repayment) of Secured Loans	1602706	3062494.00
	Loan taken/(Repayment) of Unsecured Loans	0	0.00
	Other long term provisions	586238	
	Dividends Paid	0	0.00
	Corporate Dividend Tax Paid	0	0.00
	<i>Net cash Flow from Financing Activities</i>	<b>41848228</b>	25139974.00
IV	<b>Exchange differences on translation of FCY cash and cash Equivalents</b>	5614122	137104.00
	<b>Net Increase/(Decrease) in Cash Flows during the Year (I+II+III)</b>	<b>(7429924)</b>	(7964546.00)
	Cash & Cash Equivalents at the Beginning of the year	6076165	13903607.00
	Cash & Cash Equivalents at the End of the year	4260363	6076165.00

Per & subject to our report of even date.

For **Gokhale & Co**

Chartered Accountants

FRN 000942S

Place: Hyderabad

Date: 16.05.2013

**Chandrashekhhar Gokhale**

Partner

Memb. No : 023839

G. Pushkarini  
Company Secretary

For and on behalf of the Board

**Pal Natarajan**  
Managing Director

**A. Shankaraiah**  
Director

**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹																									
1	<b>Note : 1 Share Capital</b>																											
	<b>AUTHORIZED CAPITAL</b>																											
	19,000,000 Equity Shares of Rs. 10/- each.	<b>190,000,000</b>	190,000,000																									
		<b>190,000,000</b>	190,000,000																									
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>																											
	<b>Paid up Share Capital</b>	<b>175,461,670</b>																										
	17546167 Equity Shares of Rs. 10/- each Previous Year																											
	15442167 Equity Shares of Rs. 10/- each		154,421,670																									
	<b>Voting Rights</b>																											
	All equity shares issued are with pari-passu rights																											
	<b>Shares held by Holding Company</b>																											
	<table border="0"> <thead> <tr> <th>Name of Company</th> <th colspan="2">2012-13</th> <th colspan="2">2011-12</th> </tr> <tr> <th></th> <th>No. of shares</th> <th>%</th> <th>No. of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Bodhtree Solutions Inc</td> <td>90,00,000</td> <td>51.29</td> <td>9,000,000</td> <td>58.28</td> </tr> </tbody> </table>	Name of Company	2012-13		2011-12			No. of shares	%	No. of shares	%	Bodhtree Solutions Inc	90,00,000	51.29	9,000,000	58.28												
Name of Company	2012-13		2011-12																									
	No. of shares	%	No. of shares	%																								
Bodhtree Solutions Inc	90,00,000	51.29	9,000,000	58.28																								
	<b>Shareholders having more than 5% of the shares</b>																											
	<table border="0"> <thead> <tr> <th>Name of Share holder</th> <th colspan="2">2012-13</th> <th colspan="2">2011-12</th> </tr> <tr> <th></th> <th>No. of shares</th> <th>%</th> <th>No. of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>1. Rajiv Gupta</td> <td>1, 268,400</td> <td>7.23</td> <td>1,268,400</td> <td>8.21</td> </tr> <tr> <td>2. Sanjiv Gupta</td> <td>866,100</td> <td>4.94</td> <td>866,100</td> <td>5.61</td> </tr> <tr> <td>3. Bodhtree Solutions Inc</td> <td>9,000,000</td> <td>51.29</td> <td>90,00,000</td> <td>58.28</td> </tr> </tbody> </table>	Name of Share holder	2012-13		2011-12			No. of shares	%	No. of shares	%	1. Rajiv Gupta	1, 268,400	7.23	1,268,400	8.21	2. Sanjiv Gupta	866,100	4.94	866,100	5.61	3. Bodhtree Solutions Inc	9,000,000	51.29	90,00,000	58.28		
Name of Share holder	2012-13		2011-12																									
	No. of shares	%	No. of shares	%																								
1. Rajiv Gupta	1, 268,400	7.23	1,268,400	8.21																								
2. Sanjiv Gupta	866,100	4.94	866,100	5.61																								
3. Bodhtree Solutions Inc	9,000,000	51.29	90,00,000	58.28																								
3	<b>Reconciliation of Shares</b>																											
	Opening Share Capital	<b>15,442,167</b>	6,342,167																									
	Add: Shares Issued during the year with Pari Passu rights	<b>2,104,000</b>	9,100,000																									
	Less: Shares Forfeited during the year	-	-																									
	Closing Share Capital	<b>17,546,167.15,</b>	442,167																									
4	<b>Details of Shares Issued for Consideration Other than Cash</b>																											
	91,00,000 shares of Rs. 10/- were issued on 09th November, 2011 to the shareholders of erstwhile ACP Limited in consideration for the merger with the company as per the order of AP High Court dated 14th August, 2011.																											
	<b>Total</b>	<b>175,461,670</b>	154,421,670																									

**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	<b>Note : 2 Reserves &amp; Surplus</b>		
1	<b>Securities Premium</b>		
	Opening Balance	32,265,339	32,265,339
	Additions	31,560,000	-
		63,825,339	32,265,339
2	<b>General Reserve</b>		
	Opening Balance	5,000,000	5,000,000
	Additions	-	-
		5,000,000	5,000,000
3	<b>Surplus</b>		
	Opening Balance	53,914,339	53,174,700
	Add: Current year Profit / (Loss)	(66,697,106)	739,639
		(12,782,766)	53,914,339
	<b>Total</b>	<b>56,042,573</b>	<b>91,179,678</b>
	<b>Note : 3 Long Term Borrowings</b>		
	Other Loans & Advances		
	<b>Auto Loans</b>	3,190,656	3,972,010
	<i>Loans equivalent to Rs.39,72,010 are secured by hypothecation of the vehicles financed by banks &amp; NBFCs The amt is payable after Mar 2014 in equated monthly instalments</i>		
	<b>Total</b>	<b>3,190,656</b>	<b>3,972,010</b>
	<b>Note : 4 Long Term Provisions</b>		
	<b>Provision For Employees Benefit</b>		
	Gratuity Provision	3,232,381	4,461,428
	PL Encashment	753,318	776,595
	<b>Total</b>	<b>3,985,699</b>	<b>5,238,023</b>
	<b>Note : 5 Short Term Borrowings</b>		
	<b>Unsecured Loans</b>		
1	BCL Employees Benefit Trust <i>No terms of repayment have been specified</i>	3,900,000	3,900,000
2	Jayachakra Ventures Private Limited <i>Amt borrowed as an ICD with interest @18% for a tenure of 12 months</i>	10,357,673	20,000,000
	<b>Secured Loans</b>		
1	HDFC CA RETAIL BUSINESS (Overdraft Account)	9,220,456	-
	<b>Total</b>	<b>23,478,129</b>	<b>23,900,000</b>

**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	<b>Note : 6 Trades Payable</b>		
	<b>-Sundry Creditors</b>		
	Trade Payables for Material / Supplies	<b>2,005,932</b>	5,309,853
	Trade Payables for Services	<b>18,697,120</b>	4,492,634
	<b>Total</b>	<b>20,703,052</b>	9,802,487
	<b>Note : 7 Other Current Liabilities</b>		
	<b>Current Maturities of Long Term Debt</b>	<b>2,384,060</b>	2,284,351
	<i>Loans equivalent to Rs.23,84,060 are secured by hypothecation of the vehicles financed by banks &amp; NBFCs. The amt is payable during April 2013 to Mar 2014 in equated monthly instalments</i>		
	Advance From Customers	<b>1,585,428</b>	1,832,990
	Interest accrued but not due on borrowings	<b>3,262,660</b>	1,955,290
	Other Current Liabilities	<b>5,001,849</b>	8,206,771
	Statutory Remittances	<b>44,671,197</b>	18,195,818
	<b>Total</b>	<b>56,905,194</b>	32,475,220
	<b>Note : 8 Short Term Provisions</b>		
	<b>Provision For Employees Benefit</b>		
	ESI, PF contributions, staff salaries & Exp reimb etc	<b>5,423,340</b>	8,530,332
	Gratuity Provision	<b>1,411,604</b>	1,120,140
	PL Encashment	<b>426,958</b>	111,608
	<b>Others</b>	<b>1,235,276</b>	5,772,015
	<b>Total</b>	<b>8,497,178</b>	15,534,095



**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

**Note No:9 Fixed Assets Schedule**

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	
		As at 1-Apr-12 ₹	Additions ₹	Deletions/ Adjustments ₹	As at 31-Mar-13 ₹	As at 1-Apr-12 ₹	For the Period ₹	Deletions/ Adjustments ₹	Total ₹	As on 31-Mar-13 ₹	As on 31-Mar-12 ₹
1	Computer - Hardware	34,416,604	3,636,328	3,572,507	34,480,425	21,375,631	3,981,495	3,572,507	21,784,619	12,695,806	12,660,956
2	Computer - Software	12,361,335	230,800		12,592,135	7,293,387	1,512,744		8,806,131	3,786,004	5,067,948
3	AC's/UPS/Stabilisers	5,233,333		2,244,742	2,988,591	1,188,056	187,994	952,993	423,057	2,565,534	4,045,277
4	Electrical Items	1,949,314	416,325	1,468,453	897,186	629,452	66,072	652,066	43,458	853,728	1,319,862
5	Office Equipment	3,566,714	39,544	1,030,835	2,575,423	954,621	138,560	458,534	634,647	1,940,776	2,612,093
6	D.G.Set	550,597		550,597	-	294,422	10,963	305,385	-	-	256,175
7	Audio & Video Systems	499,957		278,757	221,200	375,268	32,019	278,757	128,530	92,670	124,689
8	Furniture & Fixtures	17,716,157		9,564,119	8,152,038	4,131,745	689,390	2,858,196	1,962,939	6,189,099	13,584,412
9	Vehicles	15,107,395	2,065,834	1,952,618	15,220,611	2,947,327	1,389,662	759,879	3,577,110	11,643,501	12,160,068
10	Work in Progress - ACP				-						-
	<b>Total</b>	<b>91,401,406</b>	<b>6,388,831</b>	<b>20,662,629</b>	<b>77,127,608</b>	<b>39,189,909</b>	<b>8,008,899</b>	<b>9,838,317</b>	<b>37,360,491</b>	<b>39,767,117</b>	<b>51,831,480</b>
	Previous Year Totals	86,972,562	20,910,643	16,861,816	91,021,389	34,820,399	8,197,774	3,828,264	39,189,909	51,831,480	52,152,163

**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

Sl. No.	Particulars		Current Year ₹	Previous Year ₹
	<b>Note : 10 Non Current Investment</b>			
	<b>Investment in Equity Instruments</b>		-	-
	Investments in Joint Ventures			
	Learnsmart India Pvt Ltd. (Unquoted) 505,000 Equity shares of Rs.10 each		<b>5,050,000</b>	5,050,000
	Other Investments			
	Many Futures Inc. (Unquoted) 497,669 Equity Shares @ US \$ 1 each	22,698,683		
	Less: Amount Written Off	20,428,815		
	Less: Provision for Diminution in Value	2,247,169	<b>22,699</b>	2,269,868
	Hypersoft Technologies (Quoted but not traded) 100,000 Equity Shares of Rs.10 each, valued at cost	1,500,000		
	Less: Provision for Diminution in Value	1,485,000	<b>15,000</b>	1,500,000
	Pressmart Media Ltd. (Unquoted) 5,257,924 Equity shares of Rs.10 each		<b>67,199,710</b>	67,199,710
	<b>Additional Disclosures</b>			
	Aggregate Value of Quoted Investments		-	-
	Aggregate Value of Unquoted Investments (At Cost)		<b>94,948,393</b>	94,948,393
	Less: Provision for Diminution in Value		<b>20,428,815</b>	20,428,815
	Carrying Value of Unquoted Investments		<b>74,519,578</b>	74,519,578
	Aggregate value of listed but not quoted investments (At Cost)		<b>15,000</b>	1,500,000
	<b>Total</b>		<b>72,287,409</b>	76,019,578
	<b>Note : 11 Long Term Loans and Advances</b>			
	<b>Others</b> <b>(Unsecured Considered Good)</b>		<b>8,278,385</b>	14,133,816
	<b>Total</b>		<b>8,278,385</b>	14,133,816
	<b>Note : 12 Inventories</b>			
1	Work-in-Progress		<b>10,112,569</b>	6,226,000
	<b>Total</b>		<b>10,112,569</b>	6,226,000

**Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	<b>Note : 13 Trade Receivables</b>		
1	<b>Outstanding for more than six months from the date they are due</b>		
	a) Unsecured, Considered Good	32,192,297	29,282,711
2	<b>Others</b>		
	a) Unsecured, Considered Good	100,768,491	94,349,114
	<b>Total</b>	<b>132,960,788</b>	123,631,825
	<b>Note : 14 Cash &amp; Cash Equivalent</b>		
1	<b>Cash-in-Hand</b>		
	Cash Balance	18,531	16,346
		-	-
	<b>Sub Total (A)</b>	<b>18,531</b>	16,346
2	<b>Balances with Banks</b>		
	INR Current a/c	183,826	1,022,167
	INR Deposit a/c	3,996,000	3,696,218
	EEFC Current a/c	62,005	1,238,934
	<b>Sub Total (B)</b>	<b>4,241,831</b>	5,957,319
3	<b>Earnest Money Deposit</b>		
	<b>Sub Total ( C )</b>	-	102,500
		-	102,500
	<b>Total [ A + B + C ]</b>	<b>4,260,362</b>	6,076,165
	<b>Note :15 Short Terms Loans and Advances</b>		
1	<b>Loans &amp; Advances to related parties</b>		
	(a) Unsecured Considered Good		
	Learnsmart India Pvt Ltd	33,956,501	33,956,501
	Pressmart Media Ltd	33,547	33,547
2	<b>Advance to Suppliers</b>	-	2,480,000
3	<b>Balance With Government Authorities</b>	40,711,112	23,182,661
4	<b>Prepaid Expenses</b>	4,330,806	1,994,722
5	<b>Others</b>	1,565,554	1,575,259
	<i>Advance Recoverable in cash or in kind or for value to be considered good</i>		
	<b>Total</b>	<b>80,597,521</b>	63,222,690

Notes Forming Integral Part of Profit & Loss Account for the Year ended 31<sup>st</sup> March, 2013

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	<b>Note : 16 Revenue from Operations</b>		
	<b>Export Sales</b>		
	Projects - Consultancy Services	192,602,523	184,750,758
	Projects - Off Shore	60,380,440	87,756,938
	Referral Fees	435,018	523,506
		<b>253,417,981</b>	<b>273,031,202</b>
	<b>Domestic Sales</b>		
	Consultancy Services	13,021,329	98,542
	Projects - Off Shore	16,346,029	19,608,370
	Projects - Onsite Consultancy Services	145,895,524	141,583,741
		<b>175,262,882</b>	<b>161,290,653</b>
	<b>Total</b>	<b>428,680,863</b>	<b>434,321,855</b>
	<b>Note : 17 Other Income</b>		
	Exchange Fluctuation Gain	5,614,122	7,412,550
	Interest On Elec. Deposit	18,829	23,269
	Interest on Bank FD	334,389	132,246
	Misc. Income	107,294	285,232
	<b>Total</b>	<b>6,074,634</b>	<b>7,853,297</b>
	<b>Note : 18 Cost of Material Consumed</b>		
	<b>Software Expenses</b>		
	Cost of SF / CRM Licenses purchased	19,902,105	19,026,398
	<b>Sub-total (a)</b>	<b>19,902,105</b>	<b>19,026,398</b>
	<b>Total</b>	<b>19,902,105</b>	<b>19,026,398</b>

**Notes Forming Integral Part of Profit & Loss Account for the Year ended 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	<b>Note : 19 Employment Benefit Expenses</b>		
	Salaries & Contribution to Welfare Funds	333,639,559	272,624,074
	Recruitment & Training Expenses	3,775,450	4,451,741
	Staff Welfare	4,382,717	3,923,846
	Gratuity Provision / ( Reversal)	(937,583)	2,636,857
	PL Encashment Provision / (Reversal)	292,073	888,203
	Directors Remuneration	3,000,000	1,716,667
	<b>Total</b>	<b>344,152,217</b>	<b>286,241,388</b>
	<b>Note :20 Financial Cost</b>		
	Bank Charges	391,099	204,140
	Interest On Rent	403,788	97,014
	Interest On Statutory Payments	6,466,993	811,891
	Interest On Unsecured Loans	3,516,716	2,172,544
	Interest - Vehicle Loans	628,393	492,221
	Late Payment Fee - Penalty	311,445	-
	Paypal Charges	2,301	-
	Interest on OD	798,109	-
	<b>Total</b>	<b>12,518,844</b>	<b>3,777,810</b>
	<b>Note : 21 Depreciation &amp; Amortised Cost</b>		
1	Depreciation	8,008,899	8,197,774
	<b>Total</b>	<b>8,008,899</b>	<b>8,197,774</b>
	<b>Note : 22 Other Expenses</b>		
	Advance Recoverable - Bad	-	222,664
	Amalgamation Exp	-	2,043,702
	Auditor's Remuneration	200,000	160,000
	Books & Periodicals	2,911	22,576
	Computer Consumables	271,149	157,164
	Computer Hire Chrgs	14,760	52,860

**Notes Forming Integral Part of Profit & Loss Account for the Year ended 31<sup>st</sup> March, 2013**

Sl. No.	Particulars	Current Year ₹	Previous Year ₹
	Conveyance	1,231,037	1,360,655
	Director's Sitting Fee	114,000	174,000
	Bad Debts	-	4,506,106
	Insurance	1,752,274	2,007,257
	Listing Fee / Electronic Registry Exp.	138,402	126,818
	Printing & Stationery	311,236	348,800
	Rent	29,264,122	19,736,943
	Sales Tax	-	6,534
	Service Tax Exp	-	668,758
	Subscription & Member Ship Fee	289,971	215,833
	Transport Exp - ACP	-	521,109
	Communication Expenses	7,701,106	6,606,287
	Travelling Expenses	19,340,074	9,000,622
	Business Promotion	3,752,339	3,034,625
	Electricity, Water & Diesel Charges	6,919,266	5,744,293
	Legal, Professional & Consultancy Fee	2,193,010	4,206,915
	Repairs & Maintenance	11,706,454	15,199,310
	Rates & Taxes	16,378	2,396,599
	Miscellaneous Expenses	294,584	271,774
	Software - Technical Fee	23,369,995	30,329,472
	<b>Total</b>	<b>108,883,068</b>	<b>109,121,676</b>
	<b>Note : 23 Exceptional Items</b>		
1	Prior Period Items	(404,529)	570,343
2	Profit / (Loss) on sale of Fixed Assets	(4,134,857)	(10,023,047)
3	Impairment Loss	(3,862,684)	-
4	Provision for Diminution in Value of Investment	(3,732,169)	-
	<b>Total</b>	<b>(12,134,239)</b>	<b>(9,452,704)</b>

## Note 24 : Significant Accounting Policies and Notes to Accounts

### 1. Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

### 2. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, provision for income taxes, retirement benefits, the useful lives of fixed assets and intangible assets. Actual results could differ from such estimates.

### 3. Cash Flow Statement

'Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 4. Prior Period Items

The following Prior Period Items have been accounted for in the current financial year:

Software Technical Fee (Expense)	- Rs. 3,97,080/-
Prior Year Taxes (Expense)	- Rs. 18,970/-
Reversal of Provisions (Income)	- Rs. 11,521/-

### 5. Exceptional Items

The following have been categorised as exceptional items during the financial year:

Prior Period Items	- Rs. 4,04,529
Loss on Sale of Fixed Assets	- Rs. 41,34,857
Impairment Loss	- Rs. 38,62,684
Provision for Diminution in Value of Investment	- Rs. 37,32,169

### 6. Revenue Recognition

Revenue from software development is recognised based on software developed and billed to clients. Interest Income is recognised on accrual basis.

### 7. Fixed Assets & Depreciation

Fixed Assets are accounted at cost of acquisition inclusive of other related expenses on such acquisition. They are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided on a pro-rata basis using straight-line method at rates as per Schedule XIV to the Companies Act 1956.

### 8. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange fluctuations arising on payment or realization are dealt with in the Profit and Loss Account.

Monetary Items like Current Assets and Current Liabilities are restated at the year-end closing rate as applicable and any differences arising thereof have been dealt with in the Profit and Loss Account to the extent it pertains to the current year.

An amount of Rs. 56,14,122/- has been recognised as foreign exchange gain during the year.

**9. Investments**

All Investments are long term Investments. Long term Investments are stated at cost. Provision for diminution is made to recognize a decline, which is other than temporary.

For the following Investment, provision for diminution in Value of Investment has been made during the year as the management is of the opinion that the fall in the value of Investment is other than temporary

Many Features INC : Rs. 22,47,169/-

Hypersoft Technologies : Rs. 14,85,000/-

**10. Employee Benefits**

Defined Contribution schemes

Payments to defined contribution post - retirement benefit schemes such as PF and ESI are charged as an expense as they fall due.

Defined Benefit schemes

The liability for gratuity and leave encashment is being provided for on the basis of the actuary valuation as at the year end.

**11. Borrowing Cost**

Borrowing Cost includes Interest, processing charges and other ancillary cost. Borrowing Cost is recognised on an accrual basis irrespective of whether the same is due for payment or not.

**12. Related Party Transactions**

Name of Party	Relationship	Nature & Amount of Transaction	
		2012-13	2011-12
Pressmart Media Limited	Company in which a director is interested	NIL	Sales during the year Rs. 199,202/-
		Balance Receivable at the end of the year Rs.33,547/-	Balance Receivable at the end of the year Rs.33,547
Learnsmart (India) Private Limited	Joint Venture between Bodhtree & Unified Council	NIL	Sales during the year Rs. 22,28,748/-
		Balance Receivable at the end of the year Rs.19,06,264/-	Balance Receivable at the end of the year Rs.19,06,264/-
Bodhtree Solutions Inc.	Holding Company	Sales during the year Rs.1,443,20,914/-	Sales during the year Rs.1,506,72,408/-
		Cross Charge of Expenses Rs. 59,26,756/-	
		Balance Receivable at the end of the year Rs.5,81,31,316/-	Balance Receivable at the end of the year Rs.43,213,789/-
Mr. Sanjiv Gupta	Director	Sitting Fees paid Rs. 24,000/-	Sitting Fees paid Rs 48,000/-
Mr. Muktesh Sharma	Director (Resigned during the financial year )	Sitting Fees paid Rs. 24,000/-	Sitting Fees paid Rs 36,000/-



Name of Party	Relationship	Nature & Amount of Transaction	
		2012-13	2011-12
Ms. Aruna Rani Elimineti	Director (Resigned during the financial year )	Sitting Fees paid Rs. 24,000	Sitting Fees paid Rs 24,000
Mr. DVV Prasad Rao	Director	Sitting Fees paid Rs. 30,000/-	Sitting Fees paid Rs 18,000/-
Mr. Nimmagadda Sriram	Director	Sitting fees paid Rs. 6,000/-	NIL
Mr. Palaniappan Natarajan	Managing Director	Managerial Remuneration of Rs. 30,00,000/-	Managerial Remuneration of Rs. 1,716,667/-
BCL Employees Benefit Trust	Trust formed for benefit of employees	Unsecured Loans at the end of the year Rs.39,00,000	Unsecured Loans at the end of the year Rs.39,00,000
		Interest Paid/Provided for during the year Rs. 7,02,002/-	Interest Paid/ Provided for during the year Rs. 19,55,290/-

### 13. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. All leases are operating leases. Operating lease charges are recognized as an expense in the profit and loss account over the lease term.

### 14. Segment Information

The company has only one identifiable reporting segment i.e. software development services.

### 15. Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

During the financial year there are no securities outstanding which are dilutive in nature.

Calculation of EPS is as under:

Particulars	2012-13	2011-12
Profit After Tax used for calculating Basic and Diluted EPS	Rs.(6,66,97,106)	Rs.7,39,639
Weighted average number of equity shares outstanding for the purpose of calculating Basic and Diluted EPS	1,59,68,167	71,53,295
Nominal value of share	Rs.10/-	Rs.10/-
Basic Earnings Per Share	(4.18)	0.10
Dilutive Earnings Per Share	(4.18)	0.10

**16. Taxation**

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

The Net timing difference is resulting in Deferred Tax Asset, however taking a conservative view Asset is not recognised in the balance sheet. Deferred tax liability of Rs. 46, 18, 370/- has been reversed during the year.

**17. Joint Ventures**

List of Joint Ventures

(A)

Name of Joint Venture	: Learnsmart (India) Private Limited
Description of Interest	: Jointly Controlled Entity
Country of Incorporation	: India
Percentage of Interest	: 41.00%

(B)

Name of Joint Venture	: Pressmart Media Limited
Description of Interest	: Company with substantial interest
Country of Incorporation	: India
Percentage of Interest	: 32.99%

**18. Provisions & Contingencies**

The company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow. A disclosure of contingent liability will be made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No disclosure will be made if the possibility of outflow is remote.

**19. Impairment**

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is determined:

- In case of individual asset, at the higher of an asset's net selling price and value in use.
- In case of a cash generating unit, a group of assets that generates identified and independent cash flows; at higher of the CGU's net selling price and the value in use.

Reversal of impairment loss is recognized immediately as income in the profit and loss account. Value in use is determined at the present value of estimated future cash flows from continuing use of an asset and from its disposal of its value in use.

During the financial year an Impairment Loss of Rs. 38,62,684/- has been recognised.

**20. Payment to Auditors**

<b>Particulars</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
As auditor	2,00,000/-	1,60,000/-
For taxation matters	6,981/-	32,023/-
For company law matters	16,854/-	22,472/-
For management services	NIL	NIL
For other services	NIL	NIL
For reimbursement of expenses	NIL	NIL

**21. Value of Exports & Income in foreign Currency**

During the financial year the company has exported softwareservices Rs. 25,34,17,981/-

**22. Previous Year Figures**

Previous Year Figures have been regrouped wherever necessary.

For **Gokhale & Co**  
Chartered Accountants  
FRN 000942S

**Chandrashekhar Gokhale**  
Partner  
Memb. No : 023839

For and on behalf of the Board

Place: Hyderabad  
Date: 16.05.2013

G. Pushkarini  
Company Secretary

**Pal Natarajan**  
Managing Director

**A. Shankaraiah**  
Director



**BODHTREE CONSULTING LIMITED**

Regd. Office:10th Floor, Unit No-2, (Right Wing), Vega Block the 'V' , Plot No 17,  
Software Units Layout , Hitech City, Madhapur, Hyderabad- 500 081

**PROXY FORM**

Regd. Folio No/ DPID No/Client ID No.\_\_\_\_\_

I/We ..... of .....in the district of ..... being a member / members of the above named company hereby appoint ..... of..... in the district of .....as my / our proxy to vote for me / us on my /our behalf at the 31<sup>st</sup> Annual General Meeting to be held on 28<sup>th</sup> day of June, 2013 at 10.00 A.M. at Crystal-II Hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad- 500032, Andhra Pradesh, INDIA.

Signed this.....day of ....., 2013

**Affix  
Re.1/-  
Revenue  
Stamp**

**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the company, not less than 48 hours before the meeting. The proxy need not be a member of the Company.



**BODHTREE CONSULTING LIMITED**

Regd. Office:10th Floor, Unit No-2, (Right Wing), Vega Block the 'V' , Plot No 17,  
Software Units Layout , Hitech City, Madhapur, Hyderabad- 500 081

**ATTENDANCE SLIP**

31<sup>st</sup> Annual General Meeting, 28<sup>th</sup> June, 2013 at 10.00 A.M.

Folio No/ DPID No/Client ID No.\_\_\_\_\_

Name and Address of the Share Holder/ Proxy\_\_\_\_\_

No. of Share(s) held\_\_\_\_\_:

I/we hereby record my/our presence at the 31<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> day of June, 2013 at 10.00 A.M. at Crystal-II Hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad- 500032, Andhra Pradesh, INDIA.

\_\_\_\_\_  
Member/s / Proxy's Name  
(in block letters)

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

Note: Please fill in this attendance slip and hand it over at the entrance of the Hall.





