

**REGISTERED & CORPORATE OFFICE :**

Block "A" Wing 2, Level 6, Cyber Gateway  
Madhapur, Hyderabad - 500081, Telangana, INDIA

**TEL :** +91 40 6622 2333 **WEB :** www.Bodhtree.com

**FAX :** +91 40 6622 2444 **CIN :** L74140TG1982PLC040516

Date: 03 October, 2016

To  
Listing Compliance Department  
M/s. BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001

Dear Sir/Madam,

**Sub:** Submission of 34<sup>th</sup> Annual Report  
**Ref:** Scrip Code. BODHTREE / 539122

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the 34<sup>th</sup> Annual General Meeting (AGM) of the Company held on Friday, the 30<sup>th</sup> day of September 2016 at 09.00 A.M. approved and adopted the enclosed 34<sup>th</sup> Annual Report of the Company.

We request to take the same on your record.

Thanking you

Yours truly

**For Bodhtree Consulting Limited**

  
**Company Secretary**



Encl: A/a



## 34<sup>th</sup> ANNUAL REPORT 2015 - 2016

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**CORPORATE INFORMATION****Board of Directors**

Mr. Krishnan Jayaraman (DIN. 07277651)

Mr. L N Ramakrishna (DIN. 03623543)

Mr. Katragadda Rajesh (DIN. 02727491)

Mr. Sanjiv Gupta (DIN. 00233040)

Mr. Nimmagadda Sriram (DIN. 02978454)

Mr. Muthukrishnan Swaminathan (DIN. 00339373)

Mrs. L Muneashwari (DIN. 07219454)

Chairman

Managing Director

Director

Director

Director

Director

Additional Director (Appointed w.e.f. 14<sup>th</sup> November, 2015)

**Chief Financial Officer**

Mr. Prabhakar Rao Kallur

**Company Secretary**

Mr. CS Srikanth Reddy Kolli

**Bankers**

HDFC Bank Ltd

Indian Overseas Bank

**Registered Office**

Block "A", Wing "2", Level -6, Cyber Gateway,  
HITECH City, Madhapur, Hyderabad- 500 081  
Telangana, INDIA.

Phones: +91-40-66222333

Fax: + 91-40-66222444

Email: [cosecy@bodhtree.com](mailto:cosecy@bodhtree.com)

Website: [www.bodhtree.com](http://www.bodhtree.com)

CIN: L74140TG1982PLC040516

**Registrar & Share Transfer Agents**

M/s. Venture Capital and Corporate Investments  
Private Limited ,

12-10-167, Bharatnagar,

Hyderabad-500018

Ph: 040-23818475/476,

Fax: 040-23868024

Email: [info@vccilindia.com](mailto:info@vccilindia.com)

**Secretarial Auditors**

M/s. P. S. Rao & Associates

Company Secretaries

Flat No.10, 4th Floor, D. No.6-3-347/22/2

Ishwarya Nilayam, Opp. Sai Baba Temple,

Dwarakapuri Colony, Punjagutta,

Hyderabad – 500 082, T.S., India

**Internal Auditors**

M/s. Srinivas & Poorna, Chartered Accountants,

Ameerpet, Hyderabad, Telangana, India

**Listed with**

M/s. BSE Limited (Stock Exchange), Mumbai

**Statutory Auditors**

M/s. Nisar & Kumar, Chartered Accountants

6-2-941, Flat No. 205, Mughal's Emami- Mansion,

Khairatabad, Hyderabad, Telangana - 500 004,

India

**BOARD COMMITTEES**

<b>Audit Committee</b>	Mr Katragadda Rajesh	- Chairman
	K Ramanujam	- Member (up to 05 August 2015)
	Mr N Sriram	- Member
	Mr Muthukrishnan	- Member (w.e.f. 30 May 2015)
	Swaminathan	
<b>Stakeholders Relationship Committee</b>	Mr Katragadda Rajesh	- Chairman
	K Ramanujam	- Member (up to 05 August 2015)
	Mr N Sriram	- Member
	Mr Muthukrishnan	- Member (w.e.f. 30 May 2015)
	Swaminathan	
<b>Nomination and Remuneration Committee</b>	Mr Katragadda Rajesh	- Chairman
	K Ramanujam	- Member (up to 05 August 2015)
	Mr N Sriram	- Member
	Mr Sanjiv Gupta	- Member
<b>Risk Management Committee</b>	Mr Katragadda Rajesh	- Chairman
	K Ramanujam	- Member (up to 05 August 2015)
	Mr N Sriram	- Member
	Mr Muthukrishnan	- Member (w.e.f. 30 May 2015)
	Swaminathan	

## **NOTICE**

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of Bodhtree Consulting Limited will be held at **Crystal-II, Radisson**, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032 on **Friday, the 30<sup>th</sup> day of September, 2016 at 09.00 A.M.** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended 31 March, 2016, together with the Reports of Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March, 2016, together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Lakkimsetti Naga Ramakrishna (DIN: 03623543) who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Auditors

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit and Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the appointment of M/s. Nisar & Kumar, Chartered Accountants (Firm Registration No. 127820W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-fifth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### **SPECIAL BUSINESS:**

#### **4. Regularization of Additional Director:**

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

**"RESOLVED THAT** Mrs. Lakkimsetti Muneashwari (DIN:07219454), who was appointed as an Additional Director with effect from November 14<sup>th</sup>, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the Company whose period of office shall be determinable by retirement of Directors by rotation."

## 5. Approval of Related Party Transactions:

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

**“RESOLVED THAT** in supersession of earlier resolution/s and pursuant to Reg. 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Listing Agreement with the Stock Exchange(s), (as amended from time to time by Stock Exchange or by the Securities and Exchange Board of India and for the time being in force), and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for entering into transactions, contracts or arrangements on such terms and conditions as the Board may think proper and beneficial for the Company with the below mentioned related parties during every financial year commencing after 31<sup>st</sup> March, 2016 up to maximum amount per financial year mentioned below, for a period of 3 (three) years.

S. No.	Name of the Related Party	Nature of Transactions	Max. Amount per financial year	Price
1	M/s. Bodhtree Solutions Inc., USA	Sales/Export/ Import of Services/Advance/Loan	100 Cr.	Arm's length price
2.	M/s. Bodhtree Human Capital Private Limited	Availing/ Rendering of Services/Loan/Advance	25 Cr.	Arm's length price
3.	M/s. Bodhtree Solutions Pte Ltd, Singapore	Sales/Export/ Import of Services/Loan/Advance	30 Cr.	Arm's length price
4.	M/s. Kepler Information Systems Pvt Ltd	Availing/ Rendering of Services/Loan/Advance	10 Cr.	Arm's length price
5.	M/s. Sreeven Infocom Ltd	Availing/ Rendering of Services/Loan/Advance	10 Cr.	Arm's length price
6.	M/s. Pressmart Media Limited	Advance/Loan/Services	10 Cr.	Arm's length price
7	M/s. Learnsmart (India) Pvt Ltd	Advance/Loan/Services	10 Cr.	Arm's length price
8.	Key Managerial Personnel	Managerial Remuneration	Within the limits approved by the board / members	--
9.	Others	Unforeseen	Upto Rs.10 Cr. per transaction	Arm's length price

**FURTHER THAT** the Board be and is hereby authorized to negotiate and settle the terms and conditions of related party transactions and all other matters incidental thereto and to give such direction as considered necessary including delegating all or any of the powers herein conferred to any committee of directors, executive chairman, managing director, whole time director(s), director(s) and/or any officers of

the Company, and authorize them to sign and execute all agreements, applications, contracts, deeds, and/or documents that may be required, on behalf of the Company and the Board hereby further authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental thereto without being required to seek any further consent or approval thereto, for the purpose of giving effect to this resolution.”

**6. Approval of Bodhtree Consulting Limited Employee Stock Options Plan 2016 and grant of Employee Stock Options to the employees of the Company there under:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and are hereby accorded respectively to the 'Bodhtree Consulting Limited Employee Stock Options Plan 2016' (hereinafter referred to as the “BCL ESOP 2016”) and to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee/Trust, including the Nomination and Remuneration Committee/ Compensation Committee/ Trust which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time such number of Employee Stock Options (“Options”), to the permanent employees including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as may be decided solely by the Board under the Plan, exercisable into not more than **10 Lakh (Ten Lakhs only)** fully paid-up Equity Shares in the Company in aggregate, of face value of Rs. 10/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

**FURTHER THAT** the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the BCL ESOP 2016 and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**FURTHER THAT** the number of Employee Stock Options that may be granted to any employee including any Director of the Company (not being an independent director), in any financial year and in aggregate under the BCL ESOP 2016 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

**FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 10 Lakh (Ten Lakhs only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

**FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the BCL ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the BCL ESOP 2016 and do all other things incidental and ancillary thereof.

**FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the BCL ESOP 2016.

**FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the BCL ESOP 2016 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges, SEBI (LODR) Regulations, 2015 and other applicable guidelines, rules and regulations.

**FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee/Compensation Committee/Trust to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of BCL ESOP 2016 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

**7. To Borrow Money in excess of Aggregate of paid-up share capital and free reserves of the Company:**

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

**“RESOLVED THAT** in supersession of earlier resolution(s) passed and pursuant to the provisions of Section 180(1)(c) of the Companies Act 2013, the Rules made thereunder and its related and applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or reenactment thereof) the Company hereby accords its consent to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including External Commercial Borrowings in foreign denominated currencies from any foreign source/countries as prescribed by guidelines, if any in this respect) from any one or more Company's, Bankers and/or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, debentures, bonds or other securities, whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided such total amount so borrowed by the Board shall not at any time exceed the limit of Rs.100 crores (Rupees One Hundred Crores only).

**FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient.

**FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

**8. To approve creation of charge on the total assets of the Company to secure its borrowings:**

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

**“RESOLVED THAT** in supersession of earlier resolution(s) passed and pursuant to the provisions of Section 180(1)(a) of the Companies Act 2013, the Rules made thereunder and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification on or amendment thereto or reenactment thereof for the time being in force) the Company hereby accords its consent to the Board of Directors (hereinafter called “the Board”, which term shall be deemed to include any other Committee

of the Board, which the Board may have constituted or hereinafter constitute for time being, to exercise its powers conferred on the Board of Directors by this resolution, or any person(s) authorised by the Board or its Committee for such purpose) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and/or Indian rupees) and/or working capital facilities and/or Securities issued/to be issued by the Company, from time to time, up to an amount of Rs.100 Crores (Rupees One Hundred Crores only) together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

**FURTHER THAT** the Board of Directors of the Company be and are hereby authorized and empowered to enter into, sign, seal, execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages/charges/hypothecation on all or any of the immovable and moveable properties of the Company, both present and future, which may be beneficial to the Company.

**FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved ratified and confirmed in all respects.”

## **9. Approval for Further Issuance of Securities:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 42 and 62(1) read with the rules and regulations made thereunder and other applicable provisions, if any, of the Companies Act, 2013(including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) (“Companies Act”), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment, modification, variation or re-enactment thereof)(“ICDR Regulations”) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the ICDR Regulations, the applicable equity listing agreements entered into by the Company with the stock exchange(s) where the equity shares of the Company of face value of Rs. 10 each (“Equity Shares”) are listed or are currently proposed to be listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment thereof(“FEMA”) and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000 including any amendments, statutory modification(s) and/ or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended (“FCCB Scheme”) and the Depository Receipts Scheme, 2014 (“GDR Scheme”) and all other applicable statutes, rules, regulations,

guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"), the Securities and Exchange Board of India ("SEBI"), and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to the consents and approvals of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), the Company be and is hereby authorised to offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted) such number of Equity Shares, global depository receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs") and/or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as "Securities"), or any combination thereof, in one or more tranches, in the course of Indian and / or international offering(s) in one or more foreign markets, for cash, at such price or prices, at market price(s) or at a discount, as may be permissible under applicable law or premium to market price(s) in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the merchant banker(s) and/ or other advisor(s) or otherwise, for an aggregate amount up to Rs. 100 crores (Rupees One Hundred crores only) by way of a public issue or a private placement, including a qualified institutions placement ("QIP") in accordance with the provisions of Chapter VIII of the ICDR Regulations, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ("QIBs") as defined in the ICDR Regulations, document(s), whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/ placement document and/ or other letter or circular ("Offering Circular") as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at a price not less than the price calculated as per the applicable pricing formulae and as may be permitted by the relevant regulatory/ statutory authority, together with any amendments and modifications thereto, but without requiring any further approval or consent from the shareholders.

**FURTHER THAT** the Securities proposed to be issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable law.

**FURTHER THAT** the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board decides to open the issue of such Securities, subsequent to the receipt of shareholders' approval in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such securities shall be either the date of the meeting in which the Board decides to open the issue of such

convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares.

**FURTHER THAT** price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) the ICDR Regulations, if required.

**FURTHER THAT** in the event the proposed issuance of Securities ("Issue") is undertaken by way of a QIP, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to QIBs, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of this resolution, approving the QIP or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Securities shall not be eligible to be sold by the allottees pursuant to the QIP for a period of 12 (twelve) months from the date of allotment, except on a recognized stock exchange, or as may be permitted from time to time under the ICDR Regulations. Furthermore, the Board may, at its absolute discretion, issue Securities at such discount to the floor price as determined in accordance with the ICDR Regulations.

**FURTHER THAT** the Company and/or any agency or body authorized by the Company may issue ADRs or GDRs representing the underlying Equity Shares or other securities issued by the Company, in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets including filing any registration statement and any amendment thereto with the respective regulatory authorities.

**FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the proposed offering; and all such Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects and the Board is further authorized to execute necessary documents for the purpose of listing the Equity Shares on the Stock Exchanges.

**FURTHER THAT** without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed. Furthermore, the Board is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of the Securities and to remunerate all such agencies including payment of commissions, brokerage, fees or the like, and also to

seek the listing of such Securities in one or more stock exchanges in India and/or overseas as the case may be.

**FURTHER THAT** a duly constituted committee of the Board of Directors be and are hereby authorized to do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, including authorizing any director(s) or officer(s) of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appoint of intermediaries, open and close the period of subscription of the Issue, determine the issue price in respect of the Securities, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as such committee of the Board of Directors or such authorised persons may consider necessary, desirable or expedient.

**FURTHER THAT** any Director of the Company and the Company Secretary, be and are hereby severally authorised to file/ submit such application(s) to RBI and/or SEBI and/ or stock exchanges and/or such other regulatory/statutory authorities, as may be required, for intimating/ seeking their approval in respect of the Issue, to sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, and to do all such acts, deeds, matters and things and execute such papers, deeds and documents as may be necessary or expedient for the aforesaid purpose.”

**10. Approval of the limits for the Loan(s) and Investment(s) by the Company in terms of the provisions of Section 186 of the Companies Act, 2013:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 186(3) of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to give any loan to any other body corporate(s) / person (s); give any guarantee or provide security in connection with a loan to any other body corporate(s) / person (s); and/or acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding INR 50,00,00,000 (Indian Rupees Fifty Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**FURTHER THAT** in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

**FURTHER THAT** for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the

above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**Place: Hyderabad**

**Date: 02 September, 2016**

**By Order of the Board**

Sd/-

**L N Ramakrishna**

**Managing Director**

**DIN: 03623543**

**Notes:**

1. **A member entitled to attend and vote at this Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID No. and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer books of the Company will remain closed from **24 September 2016 to 30 September 2016 (both days inclusive)** for the purpose of the AGM.
6. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is **INE104F01011**. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding.
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts, so as to enable the Company to dispatch dividend warrants to their correct address. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s Venture Capital and Corporate Investments Private Limited (VCC IPL). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
8. Non-Resident Indian Members are requested to inform VCC IPL, immediately of:
  - a. Change in their residential status on return to India for permanent settlement
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.

9. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
10. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
11. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to VCCIPL.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with VCCIPL/Depository Participant to enable the Company to send communications electronically.
13. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. Members may also note that the Notice of the 34<sup>th</sup> AGM and the Annual Report 2015-16 will be available on the Company's website, [www.bodhtree.com](http://www.bodhtree.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information as regards accounts are requested to write to the Company to: [cosecy@bodhtree.com](mailto:cosecy@bodhtree.com), at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
15. Pursuant to the requirement under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed / appointed is given in **Annexure-A** to the notice.
16. **Instruction about Voting:**

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

**A) Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing Members a facility to exercise their right to vote at the Physical Ballot by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for e-voting are as under:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "**Shareholders**" tab.
- (iii) Select the "**BODHTREE CONSULTING LIMITED**" from the drop down menu and click on "**SUBMIT**"
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any Company, then your existing password is to be used.

**If you are a first time user follow the steps given below.**

- (vi) Fill up the following details in the appropriate boxes:

<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
<b>DIVIDEND BANK DETAILS</b>	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Rama with sequence number 1 then enter RA00000001 in the PAN Field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (i) After entering these details appropriately, click on "**SUBMIT**" tab.
- (ii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the relevant **EVS**N for **BODHTREE CONSULTING LIMITED**.

- (xi) On the voting page, you will see Resolution Description and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

- I. The voting period begins on **27-09-2016 (9.00 AM) and ends on 29-09-2016 (5.00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as of **23-09-2016 (i.e., the cut-off date)** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on **23-09-2016**.
- IV. **Shri N. Vanitha, Practicing Company Secretary (C.P. No: 10573)**, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**A) Other Instructions:**

- I. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.bodhtree.com](http://www.bodhtree.com) and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.
- III. Members may address any query to Mr. K. Srikanth Reddy, Company Secretary at the Registered Office of the Company, Tel. No.040-66222333, e-mail address: [cosecy@bodhtree.com](mailto:cosecy@bodhtree.com), Website: [www.bodhtree.com](http://www.bodhtree.com).

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

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**Item No. 4****Regularization of Additional Director:**

Mrs. Lakkimsetti Muneashwari was appointed as an Additional Director w.e.f. 14<sup>th</sup> November, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 who holds office up to the date of this General Meeting. In this regard the Company has received request in writing from a member of the Company proposing candidature of Mrs. Lakkimsetti Muneashwari for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013 whose period of office is determinable by retirement of Directors by rotation. Pursuant to recommendations of Compensation Committee, the Board considered that in order to comply with provisions of section 149 of the Companies Act, 2013, the co-option of Mrs. Lakkimsetti Muneashwari on the Board is desirable and would be beneficial to the Company in various fronts and hence recommends resolution No. 4 for your approval.

Mrs. Lakkimsetti Muneashwari is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director.

Except Mrs. Lakkimsetti Muneashwari, being appointee, and Mr. Ramakrishna Lakkimsetti Naga, a husband of the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Brief resume of director to be regularized, including nature of their expertise and other disclosure as required under Regulation 36 (3) of SEBI (LODR) Regulations, 2015, is provided at **Annexure A** of this Notice.

**Item No. 5****Approval for Related Party Transactions:**

The provision of Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The Regulation 23 of the SEBI (LODR) Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015 all transactions which are material in nature entered by the Company, need the approval of shareholders.

M/s. Bodhtree Solutions Inc., USA (BSI), holding Company of the Company operating in California, U.S.A. The transactions between Bodhtree Consulting Limited (BCL) and BSI will be in ordinary course of business and are continuous in nature and are not for a specific period. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

The transactions with BSI will be material in nature and require the approval of the shareholders of the Company by way of Ordinary resolution.

M/s. Bodhtree Human Capital Private Limited (BHC), Subsidiary Company of the Company. The transactions between BCL and BHC will be in ordinary course of business. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

M/s. Bodhtree Solutions Pte Limited (BSPL), Associate Company of the Company. The transactions between BCL and BSPL will be in ordinary course of business. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

M/s. Kepler Information Systems Private Limited (KISPL), a Company in which the Managing Director of our Company is a Member with 50% stake. The transactions between BCL and KISPL will be in ordinary course of business. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

M/s. Sreeven Infocom Limited (SIL), a Company in which the Managing Director of our Company is a Member with more than 50% stake. The transactions between BCL and SIL will be in ordinary course of business. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors.

The transactions with the above mentioned parties other than with BSI may or may not be continuous in nature and may or may not be for a specific period and may or may not be material in nature.

The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out at Item No. 5 shall be entitled to vote on this resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution except Mr L N Ramakrishna who is a Member and/or Director of M/s. Kepler Information Systems Private Limited, M/s. Sreeven Infocom Limited and M/s. Bodhtree Solutions Pte Ltd, Singapore.

The Board recommends the resolution set forth in Item No.5 for approval of the members.

#### **Item No. 6**

#### **Approval for Bodhtree Consulting Limited Employee Stock Options Plan 2016 ("BCL ESOP 2016") and grant of Employee Stock Options to the employees of the Company there under:**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement Bodhtree Consulting Limited Employee Stock Options Plan 2016 ("BCL ESOP 2016") with a view to attract and retain key

talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 hereinafter called as 'SEBI (SBEB) Regulations', the Company seeks members' approval in respect of 'BCL ESOP 2016' and grant of Options to the eligible employees/ Directors of the Company as decided by the Board of Directors or its Committee from time to time in due compliance of the SEBI SBEB Regulations. The main features of the 'BCL ESOP 2016' are as under:

**1. Brief Description of the Scheme(s):**

This proposed Scheme called the Bodhtree Consulting Limited Employee Stock Options Plan 2016 ("BCL ESOP 2016") is intended to reward the Eligible Employees of the Company in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organization as it views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come. The Company is implementing ESOP by issuing primary shares.

**2. Total number of Options to be granted:**

Such number of Options would be available for grant to the eligible employees of the Company under 'BCL ESOP 2016', in one or more tranches exercisable into not exceeding 10 Lakh (Ten Lakhs only) Equity Shares in the Company of face value of Rs. 10/- each fully paid-up. Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled Options as per the provisions of 'BCL ESOP 2016', within overall ceiling.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.

**3. Identification of classes of employees entitled to participate in 'BCL ESOP 2016':**

Following classes of employees are entitled to participate in ESOP 2015:

- a) Permanent employees of the Company working in India or out of India; and
- b) Directors of the Company.

Following persons are not eligible:

- a) an employee who is a promoter or belongs to the promoter group;
- b) a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013.

**4. Requirements of vesting and period of vesting:**

The Options granted shall vest so long as an employee continues to be in the employment of the Company. The Board of Directors or its Compensation Committee or a Trust, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 (one) year.

**5. Maximum period within which the Options shall be vested:**

Options granted under 'BCL ESOP 2016' would vest subject to maximum period of 5 (five) years from the date of grant of such Options.

**6. Exercise price or pricing formula:**

The Exercise price per Options shall be equal to the Market price on the date of grant of Options or upto 80% of the discount to the Market Price on the date of grant, as decided by the Board of Directors or its Committee may, at its discretion ("Exercise Price"). "Market price" under the SEBI SBEB Regulations means the latest available closing price on the stock exchange on which the equity shares of the Company are listed on the date immediately prior to the Relevant Date. If such shares are listed on more than one stock exchanges, then the closing price on the stock exchange having higher trade volume shall be considered as the market price.

"Relevant Date" under the SEBI SBEB Regulations means:

- (i) In the case of grant, the date of the meeting of the Board of Directors or its Committee on which the Grant is made; or
- (ii) In the case of exercise, the date on which the notice of exercise is given to the Company by the employee.

**7. Exercise period and the process of Exercise:**

The Vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 1 year from the date of vesting of such Options. The Vested Options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board of Directors or its Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**8. Appraisal process for determining the eligibility of employees under 'BCL ESOP 2016':**

The appraisal process for determining the eligibility of the employees will be decided by the Board of Directors or its Committee from time to time. The employees would be granted Options under the 'BCL ESOP 2016' based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided from time to time.

**9. Maximum number of Options to be issued per employee and in aggregate:**

The number of Options that may be granted to any specific employee of the Company, in any financial year and in aggregate under the 'BCL ESOP 2016' shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

**10. Maximum Quantum of benefits to be provided per employee under the 'BCL ESOP 2016':**

The Maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of Options.

**11. Source of Shares:**

The Scheme contemplates new Issue of Shares by the Company ("Primary Shares").

**12. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase of the scheme:**

The Company is implementing ESOP by issuing Primary Shares. The Company is not providing any loan for ESOP purpose.

**13. Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

**14. Method of Option Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earnings per Share (EPS) of the Company shall also be disclosed in the Directors' report.

**15. Trust means:**

The 'Trust' means the existing 'BCL Employees Benefit Trust' of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Consent of the members is being sought pursuant to Section 62(1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder and as per Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**Item No. 7 & 8****To borrow money and creation of charge:**

As per section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting by way of special resolution, borrow monies, apart from temporary loans obtained from the Company's Bankers in ordinary course of business, in excess of the aggregate of paid up share capital and free reserves. In view of the potential business operations, the Company may have to borrow amounts exceeding the said limits. The consent of the members is therefore sought under the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors for borrowing to the extent of Rs. 100 crores. In connection with the borrowings, the Company may need to mortgage and/or hypothecate its properties to the banks and financial institutions. Section 180(1)(a) of the Companies Act, 2013 provides that the Board of Directors of a Company cannot, without the consent of the Company in General Meeting by way of special resolution, sell, lease, mortgage, create a charge or otherwise dispose-off the whole or substantially the whole of the undertaking of the Company. Since the assets of the Company are charged or to be charged in connection

with the borrowings, the resolution/s as stated in the notice is/are placed for your approval. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in these resolutions.

**Item No. 9****Further Issuance of Securities:**

Members may note that this special resolution is to enable the Company to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds ("FCCBs"), and/or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/or convertible preference shares or any security convertible into Equity Shares and such other securities as stated in the resolution ( "Securities") or any combination thereof, by way of a public issue or a private placement, including by way of a qualified institutions placement ("QIP") in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), in one or more tranches, at such price as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed.

This special resolution is an enabling resolution and therefore the proposal seeks to confer upon the Board (including a committee thereof) the absolute discretion to determine the terms of the aforementioned issuance of Securities, including the exact price, proportion and timing of such issuance, based on an analysis of the specific requirements. The detailed terms and conditions of such issuance will be determined by the Board or a committee thereof, in consultation with the advisors, lead managers and such other authorities as may be required, considering prevailing market conditions, practices and in accordance with the applicable provisions of law.

This special resolution enables the Company to issue Securities for an aggregate amount not exceeding Rs. 100 Crores (Rupees One Hundred crores only) or its equivalent in any other foreign currencies.

In the event such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 12 months from passing this resolution.

The proceeds of such issuance of Securities shall be utilized to meet, amongst other things, capital expenditure of the Company and any of its subsidiaries, including any acquisition opportunities, working capital requirements of the Company and general corporate purposes.

In the event that the issuance of the Securities is undertaken by way of a QIP, the pricing shall be subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price").

Provided that, the Company may offer a discount of not more than 5% or such other percentage, as may be permitted, on the QIP Floor Price, calculated in accordance with the SEBI ICDR Regulations.

Alternatively, issuances of FCCBs or ADRs / GDRs shall be subject to pricing requirements prescribed under the FCCB Scheme or GDR Scheme, as applicable.

The “relevant date” for the purpose of pricing the Securities shall be the meeting in which the Board or a committee thereof decides to open the issue of such Securities, subsequent to the receipt of this shareholders' approval in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such securities shall be either the date of the meeting in which the Board or a committee thereof decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares.

As the issuance of Securities may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 42 and 62(1) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the equity listing agreement entered into by the Company with the stock exchanges where the Equity Shares of the Company are listed, and are proposed to be listed, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

The Board believes that the proposed offering is in the interest of the Company and therefore recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is directly or indirectly concerned or interested in this Resolution.

#### **Item No. 10**

#### **To approve the limits for the Loan(s) and Investment(s) by the Company in terms of the provisions Section 186 of the Companies Act, 2013:**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of this 34<sup>th</sup> Annual General Meeting for an amount not exceeding INR 50,00,00,000 (Indian Rupees Fifty Crores Only) outstanding at any time notwithstanding that such investments,

outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013. The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

**Place: Hyderabad**  
**Date: 02 September, 2016**

**By Order of the Board**

Sd/-  
**L N Ramakrishna**  
**Managing Director**  
**DIN: 03623543**

**Annexure A**

Details of Directors as on March 31, 2016 seeking appointment/ re-appointment/ regularization at the Annual General Meeting (Pursuant to Reg. 36 (3) of SEBI (LODR) Regulations, 2015) are given below:

A	Name	Mr. Ramakrishna Lakkimsetti Naga	Mrs. Muneashwari Lakkimsetti
B	Brief Resume		
	i) Age	50 years	42 years
	ii) Educational Qualification	Master's degree in Business Management	Bachelor's degree in mathematics
	iii) Experience in specific functional area	He has 22 years of industry experience on various business applications including ERP systems.	She has 10+ years of industry experience in managing software delivery at Fortune500 listed companies.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Limited)	24th January, 2015 (DIN No: 03623543)	14 <sup>th</sup> November, 2015 (DIN No: 07219454)
C	Nature of expertise in functional area	He has worked with and managed Big 5 consulting Companies' resources and has been responsible for introducing cutting-edge products in industries. His experience spans across various Companies including Symantec, Juniper Networks, and Silver Spring Networks.	She has done deep functional studies of business elements, and mapping those into the ERP systems. Also, managed delivery of complex systems implementations in mission critical business scenarios.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	Nil	Nil
E	Chairmanship/ Membership of committees of other Companies (includes only Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee)	Nil	Nil
F	No. of shares of Rs.10/- each held by the Director	Nil	Nil
G	Relationship between Directors inter se ( As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Mrs. Muneashwari Lakkimsetti (Spouse)	Mr L N Ramakrishna (Spouse)

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the *Thirty Fourth Annual Report* of Bodhtree Consulting Limited (the "Company" or "Bodhtree") on the business and operations and the Audited Accounts for the financial year ended 31 March, 2016, together with the Auditors' Report thereon. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. Financial Summary:

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

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Income from Operations	4621.37	4282.14
Other Income	150.71	57.23
<b>Total Income</b>	<b>4772.08</b>	<b>4339.37</b>
Operating Expenditure	4516.78	4124.70
Profit (Loss) before depreciation & Tax	255.30	214.67
Depreciation	127.09	153.12
<b>Operating Profit (Loss)</b>	<b>128.21</b>	<b>61.54</b>
Prior Period & Exceptional Items	0	0
Profit before Tax & Extra-Ordinary Items	128.21	61.54
Extra-ordinary Items	0	0
Tax Expense / (Reversal)	(48.87)	5.48
<b>Profit (Loss) after tax</b>	<b>177.08</b>	<b>56.05</b>

### 2. Company's Performance:

During the year under review the Company reported a total income of Rs. 4772.08 Lakhs against Rs. 4339.37 Lakhs in the previous year. The Operating profit amounted to Rs. 128.21 Lakhs as against operating profit of Rs. 61.54 Lakhs in the previous year. The Company reported profit primarily due to the measures brought in by the management to reduce operational costs without compromising the ability to earn and grow further.

### 3. Dividend

Your Directors regret to inform that they do not recommend any dividend for the financial year 2015-16.

**4. Transfer to Reserves:**

The Company proposes to transfer an amount of Rs. 177.08 Lakhs to the general reserve out of the amount available for appropriation during the year under review.

**5. Share Capital:**

The Paid-up Share Capital of the Company as on 31 March, 2016 is Rs. 20,59,71,050.

During the year under review, the Company has raised funds through preferential offer of 0.001% Compulsory Convertible Preference Shares of Rs. 10/- each, to the extent of Rs 9.763 Crores including premium amount, to meet the working capital requirements, financially support the general corporate purposes and to maintain adequate liquidity for future expansion activities by the Company. As a result of this, the issued, subscribed and paid up capital of the Company has increased from Rs. 17,54,61,670 in FY 2014-15 to Rs. 20,59,71,050 in FY 2015-16.

**6. Listing of Company's Equity Shares:**

The Company's Equity shares are listed with M/s. BSE Limited (Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company has paid the Annual Listing Fees to the said Stock Exchange for the Financial Year 2016-17.

**7. Change in the Nature of Business:**

There is no change in the nature of the business of the Company during the year under review.

**8. Subsidiaries, Joint Ventures and Associate Companies:**

During the year under review, a 100% wholly owned subsidiary Company in the name and style of M/s. Bodhtree Human Capital Private Limited was incorporated in order to tap the domestic as well as global market for the staff augmentation and related service sector. Consequently the Company has 1 (one) Subsidiary as on 31 March, 2016.

The Company holds more than 20% of total share capital of two other Companies which are M/s. Learnsmart India Private Limited and M/s. Pressmart Media Limited. But there was no Significant Influence shown by the Company on affairs of those Companies. There were no significant and material transactions with those Companies during the period under review. Management of the Company is different from that of those two Companies. Details in this regard are mentioned in Form No. MGT-9 (Extract of Annual Return) which is enclosed to this report.

As per the provisions of Section 129(3) of the Companies Act, 2013 (the Act) read with Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company Subsidiary in Form AOC-1 is enclosed as **Annexure – IV** to this Report.

Performance and financial position of each of the subsidiaries, associates and joint ventures:

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is enclosed as **Annexure – IA** to this Annual Report.

## **9. Management Discussion and Analysis:**

The Management Discussion and Analysis forms an integral part of this Report and enclosed as **Annexure - I** and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material developments during the financial year.

## **10. Extract of Annual Return:**

As provided under section 92(3) of the Act, the extract of annual return is given in **Annexure - II** in the prescribed Form No. MGT-9, which forms part of this report.

## **11. Director's Responsibility Statement:**

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

- i) In preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2016 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) 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 true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2016 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

**12. Statement on Declaration given by Independent Directors under Section 149(6):**

The independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Act stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

**13. Details of Directors or Key Managerial Personnel:**

Mr. Ramanujam Kuppusamy resigned as a Director from the Board of Directors of the Company on 05<sup>th</sup> August 2015 due to his preoccupations. The Board places on record its sincere appreciation for Mr. Ramanujam Kuppusamy value addition and fruitful association with the Company and thanks him for providing valuable guidance to the Company during his tenure.

During the year, Mr. Muthukrishnan Swaminathan was appointed as Independent Director on the Board of the Company for a period of Five years w.e.f. 30 September, 2015 and the Members approved his appointment at the 33<sup>rd</sup> Annual General Meeting of the Company.

During the year, upon the recommendation of Nomination and Remuneration Committee, Mrs. Muneashwari Lakkimsetti was appointed as Additional Director (Non-Executive Non Independent) of the Company by the Board at its meeting held on 14 November, 2015 pursuant to Section 161 of the Act, read with Articles of Association of the Company and holds office up to the date of this AGM. Notice in writing under Section 160 of the Act, proposing her candidature for the office of Director of the Company, has been received by the Company. According to the provisions of section 149 and 152 of the Companies Act, 2013, she is proposed to be appointed as Women Director of the Company who is liable to retire by rotation.

In accordance with the provisions of Act and the Articles of Association of the Company, Mr L N Ramakrishna will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The aforesaid appointment/reappointment of Director/s are subject to your approval.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Mr. L N Ramakrishna, Managing Director; Mr. Prabhakar Rao Kallur, Chief Financial Officer and Mr. Srikanth Reddy Kolli, Company Secretary. During the year Ms. G Pushkarini had resigned as Company Secretary due to personnel reasons and the Board places on record its sincere appreciation for Ms. G Pushkarini value addition and fruitful association with the Company and thanks her for providing valuable guidance to the Company during her tenure. Thereafter Mr Srikanth Reddy Kolli was appointed as Company Secretary and Compliance Officer at the Board meeting held on 14 November, 2015. There has been no other changes in the key managerial personnel during the year under review.

**14. Number of meetings of the board:**

6 (Six) meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

**15. Board Evaluation:**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors held on 12 February, 2016, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

*Criteria for Performance Evaluation:*

- a. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- b. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
- c. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management
- d. Statutory Compliance and ensuring high standards of financial probity and Corporate Governance
- e. Responsibility towards requirements under the Companies Act, 2013, Responsibilities of the Board and accountability under the Director's Responsibility Statement.

**16. Policy on directors' appointment and remuneration and other details:**

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

**17. Committees of Board:**

Your Company has the following committees namely:

1. Audit Committee
2. Compensation Committee
3. Stakeholder's Relationship Committee
4. Risk Management Committee

The constitution of all the committees are as per the Companies Act, 2013 and SEBI Listing Regulations. The details of the Constitution are mentioned in Corporate Governance Report, which forms part of this Report.

**18. Corporate Governance Report:**

Your Company has complied with the requirements of Regulation 17(7), 72 of SEBI (LODR) Regulations, 2015 read with Schedule II & V therein and the Corporate Governance Report including Auditor's Certificate on compliance with the conditions of Corporate Governance specified in Schedule V(E) is enclosed as **Annexure-VII** to this report.

**19. Consolidated Financial Statements:**

The consolidated financial statements prepared and annexed in accordance with the Accounting Standards 21 and 23 as prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") also forms part of this Report.

As per the provisions of Section 136 of the Act, the Company will place separate audited accounts of its subsidiaries on its website [www.bodhtree.com](http://www.bodhtree.com) and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

**20. Internal financial control systems and their adequacy:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct

of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

**21. Auditors:**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Nisar & Kumar, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the thirty second annual general meeting (AGM) of the Company held on 23 December, 2014 till the conclusion of the thirty seven AGM to be held in the year 2019, subject to ratification of their appointment at every AGM.

**22. Auditors' report:**

The auditors' report does contain qualifications, reservations or adverse remarks which are mentioned in the Auditors report and which forms part of this Annual Report.

**23. Directors' Responses on the Qualifications made by the Auditors:**

The Board of Directors is of the view that the provision for diminution in the value of investments will be made based on the assessment given by the expert Valuer and hence not able estimate the impact currently. The Board of Directors is confident of collecting the receivables and hence no estimation has been made. The Board of Directors is resorting to various measures to recover the outstanding debt balances and to settle statutory dues.

**24. Secretarial Auditor Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P. S. Rao & Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the Company for the financial year ended 31 March, 2016.

The Secretarial Audit Report issued by M/s. P. S. Rao & Associates, Practicing Company Secretaries in Form No. MR-3 is enclosed as **Annexure – VIII** to this Annual Report.

The Secretarial Audit Report does not contain any material qualifications, reservations or adverse remarks except the delayed compliances as required by the various statutes applicable to the Company during period under review.

**25. Internal Auditors:**

The Board of Directors of the Company have appointed M/s. Srinivas & Poorna, Chartered Accountants as Internal Auditors to conduct the Internal Audit of the Company for the Financial Year ended 31 March, 2016.

**26. Risk management:**

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy and various risks, including the risks associated with the economy, regulations, competition, foreign exchange, interest rate etc., are documented, monitored and managed efficiently.

**27. Corporate Social Responsibility (CSR):**

During the year under review, the Company does not fall under the purview of provisions of section 135 read with Schedule VII of the Companies Act, 2013. Hence the Company has not made any contributions towards CSR Activities.

**28. Particulars of loans, guarantees and investments:**

The particulars of loans, guarantees and investments have been disclosed in the financial statements, being a part of this Annual Report.

**29. Deposits from public:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**30. Transactions with related parties:**

Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - V** in Form No. AOC-2 and the same forms part of this report.

The policy on materiality of Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website [www.bodhtree.com](http://www.bodhtree.com).

**31. Vigil Mechanism:**

In pursuant to the provisions of section 177 (9) & (10) of the Act, and SEBI Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns has been established. Protected disclosures can be made by a whistle blower to the Chairman of the Audit Committee. The Policy on vigil mechanism may be accessed on the Company's website at the link:

[http://www.bodhtree.com/downloads/Whistle Blower Policy.pdf](http://www.bodhtree.com/downloads/Whistle%20Blower%20Policy.pdf)

**32. Remuneration ratio of the directors/ Key Managerial Personnel/ Employees:**

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of **Annexure- III** which is enclosed to this Board Report.

**33. Particulars Of Employees:**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of **Annexure - III**. A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of Annexure - III which is enclosed to this Board's Report.

**34. Conservation of energy, Technology absorption, Foreign exchange outgo:**

The particulars as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of Companies (Accounts) Rules, 2014, are given to the extent applicable by way of **Annexure – VI**.

**35. Human Resources:**

The industrial relations of the Company continued to be harmonious during the year under review.

**36. General:**

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. Neither the Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.

Your Directors further state that during the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**1. Acknowledgements:**

The directors thank the Company's employees, customers, vendors, investors and academic institutions for their continuous support. The directors also thank the governments of various countries, Government of India, governments of various states in India and concerned government departments / agencies for their co-operation. The directors appreciate and value the contributions made by every member of the Bodhtree family.

**For and on behalf of the Board****Place: Hyderabad****Date: 12 August, 2016**

Sd/-

**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-

**K Rajesh**  
**Director**  
**DIN: 02727491**

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Readers are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate”, “believe”, “estimate”, “intend”, “will” and “expect” and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not place undue reliance on these forward-looking statements that speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included in this report and the notes thereto. Investors are also requested to note that this discussion is based on the standalone financial results of the Company.

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

The domestic IT industry rose at a healthy pace from 2009-10 to 2014-15 and is expected to maintain its volume-driven growth in the years to come, supported by knowledge & transaction services. Indian enterprises are now looking at digital strategies to transform their landscape. Internal customer and external customer reach-out, positive social impacts, continual productivity improvements, and digitalization of all conversations are the primary drivers of “All Things Digital” (ATD) of enterprises.

In an effort to reduce the dependence on US market, Indian IT Companies are looking to expand into other geographies. The financial services sector, including securities, banking and insurance services, remains the largest customer for IT services. Over the long term, shift towards non-voice & multi-channel CRM segments, along with knowledge services, will be a growth driver. Geo-political events like Brexit, Immigrant crisis in Middle East/Europe are some of the events that are creating angst in enterprises and in their IT investments appetite.

As the domestic IT/ITeS industry is maturing, hardware continues to account for a large portion of overall domestic IT/ITeS spends. Recognizing the IT sector's export potential and employment generating opportunity, the Indian government has taken several initiatives to promote this industry. Amendments to the IT policy of 2000 and provisions in the National IT Policy, 2011 aim at maximizing the available potential and enabling IT proliferation within India. In addition, strengthening laws related to violations of privacy and confidentiality could aid conducive development of the industry.

### **OPPORTUNITIES AND THREATS:**

Global Companies are trying to meet the challenges from emerging technology trends while managing the IT budget for their organisations. Cloud can offer solutions to manage both the ends to some extent. Cloud computing offers ease of provisioning along with all the efficient use of resources that virtualization provide. Most of the Fortune 500 Companies have adopted cloud in some form till date. Small and medium business houses have also started using IT with the emergence of cloud computing. However, user organisations are facing several challenges in terms of performance and integration with existing applications. Indian vendors are expected to find

new client pool among small and medium business houses and cloud service providers. While cloud computing adoption is expected to impact few of the existing services lines negatively, increased IT consulting and network integration are expected to open new opportunities for Indian IT vendors. Global cloud market is expected to grow faster than overall IT.

To reduce volatility in cash flows, Indian IT services Companies take to hedging - locking the exchange rate for their revenues. The Companies earn 80 per cent of their revenues, in foreign currencies, from exports of IT services to developed nations. About 60 per cent of the revenues are earned in US dollars. But they incur most of their costs in Indian rupees. Movements in the value of the rupee relative to the dollar accentuate the mismatch between costs and revenues, making the Companies' earnings and cash flows more volatile. Every percentage point change in rupee value affects the EBITDA margin by half a percentage point. Hedging helps the Companies offset gains or losses in their operating cash flows with gains or losses of hedge instruments, and thus attain steady net cash flows.

#### **FUTURE OUTLOOK ON RISKS AND CONCERNS:**

The following lists out few risks and concerns about the industry in which Company is operating:

- US accounts for two-thirds of India's total IT export revenues. Due to this high concentration, the industry's fortunes are tied to rupee fluctuations against the dollar. Economic slowdown or other factors that affect the economic health of the U.S. may affect our business.
- Stable billing rates and lack of significant benefits from rupee depreciation may pull down margins for Indian Companies. Operating margins to fall due to decline in billing rates and increase in employee cost.
- Among the various challenges, attrition and lack of infrastructure are the most significant. While prudent talent management strategies will help Companies tackle attrition, government schemes will help boost support infrastructure for the industry.
- Persistence of cost pressures are driving more global players to turn to low-cost destinations; however, intense competition among vendors is impacting their ability to price services.
- Skill gap is impacting all sizes of IT service providers, as the technology world is transforming at such rapid pace and the services companies are in constant quest to update/upgrade themselves to the demands of the market place.

The Description and Management plan for Threats, Risks & Concerns that may arise are provided below.

<b>Risk Description</b>	<b>Risk Management Plan</b>
<b>Macro-economic environment</b> Economic uncertainties in our key markets like the United States (U.S.A) and Europe can impact demand for IT services.	Business environment in the US is showing improvement.  Large corporations are increasing their IT

<p>The overall business environment continues to be prone to volatility. Recently China's economic turbulence had a ripple effect on overall global economy. The economic outlook for Europe continues to look grim with countries like Greece, Spain and Italy having stretched finances. In addition, uncertainties around UK being in the European zone can have further consequences. Such volatility in macro-economic environment can affect the business sentiments.</p>	<p>spend towards digital transformation of their existing business. At Bodhtree, we are in the forefront of client's invested areas.</p>
<p><b>Legislation impacting outsourcing</b> We continue to see restrictions on outsourcing from countries like the US, UK by increasing the Visa costs and tightening of Visa related norms. This may impact our business as significant business is derived from these countries.</p>	<p>Industry body NASSCOM is continuing its efforts to disseminate the significant benefits of IT outsourcing to governments, administrations and policy makers in the USA and other geographies.</p> <p>We believe such legislative changes require multiple level of concurrences and therefore may not take its full form of proposed intent.</p> <p>For Bodhtree, such measures are likely to have small impacts on our margins as we are well entrenched in our clients' businesses.</p> <p>We continue to evaluate different business models to improve the onsite / offshore delivery mix, further enhancements to global development centers, and significantly engaging with clients to provide a holistic value proposition.</p>
<p><b>Competition risk</b> Pricing pressure continues in our traditional areas of business where we may face margin pressure.</p> <p>Capability risk may arise in case we lag behind in new age solutioning like digital, automation and internet of Things (IOT).</p> <p>Client's loss to a competitor may impact Bodhtree's business.</p>	<p>Traditional business is getting commoditized and we are looking into newer ways of engaging with customers like offering integrated solutions.</p> <p>Bodhtree's is also focused on innovative ways of doing business like increasing productivity through automation and being in the forefront of the next wave of IT transformation.</p> <p>For our clients, we are invested in their areas of focus. These are critical assignments which are not easy to move.</p>
<p><b>Foreign currency rate fluctuations</b> A major portion of our revenues are in foreign currencies and a significant portion of our expenses are in Indian Rupees.</p>	<p>Bodhtree continues to follow the currents in this space and maintain a prudent and balanced forex management policy which we expect will help us manage this risk appropriately.</p>

<p>The exchange rate between the Indian Rupee and US Dollar as well as other currencies has been very volatile in recent years and may continue similarly in future. Our operating results are impacted by fluctuations in the exchange rate between the Indian Rupee and the US Dollar and other foreign currencies.</p>	
<p><b>Compliance risks</b> Adherence to laws, regulations and local statutes across the globe is a challenge to any IT company today.</p> <p>Every country has its own law with respect to immigration, travel, visa, social security, privacy, data protection etc. which needs a detailed assessment and compliance. There is a risk of non-compliance in the geographies where we operate in due to various regulatory changes from time to time.</p>	<p>Bodhtree has a dedicated in-house compliance team which manages this activity. We also engage with specialist consultants across the globe, who support us in adhering to country-specific compliance and regulatory requirements. Compliance content is periodically updated with the help of specialist consultants on a quarterly basis and reported to the board.</p>
<p><b>Business continuity risks</b> Bodhtree may be vulnerable to hazard risks.</p> <p>Recent events in Chennai have shown the potential of hazards to impact business operations and even pose a risk to employee safety.</p>	<p>Bodhtree has a detailed Disaster Recovery Plan (DRP) to minimize the impact of infrastructure outages. The BCM framework includes infrastructure redundancy. Intra/ inter-city recovery sites, work-from-home and split-site operations. Critical corporate infrastructure has been moved to the cloud to provide additional resilience.</p>
<p><b>Mergers and acquisitions risks</b> Inappropriate acquisitions or mismanaged integrations may result non-realization of planned business benefits.</p>	<p>Acquisitions are a part of Bodhtree's continuing strategy to establish deep expertise in targeted industry sectors. The acquisitions announced will enable Bodhtree to become the leading provider of delivering digital transformational solutions to our clients by creating a full suite of world-class transformation technology offerings.</p> <p>In order to ensure business benefits of acquisitions are realized, Bodhtree has developed a robust mergers and acquisitions framework</p> <p>Bodhtree also has a central team to manage business and process integration with acquired entities.</p>
<p><b>Cyber security risk</b> Cyber Risk has emerged as a top risk across industries as organizations are moving to newer areas of engagement such as social, mobile, computing, cloud computing, etc.</p>	<p>Bodhtree has incident Resolution and Prevention Process. The purpose of this process is to ensure timely and effective resolution of reported incidents. It also ensures that preventive mechanisms are placed appropriately so that all contractual obligations</p>

<p>Cyber risk is now firmly at the top of the international agenda as high-profile breaches raise fears that hacking attacks and other security failures could endanger the global economy.</p>	<p>are met.</p> <p>Bodhtree leverages leading industry standard controls to secure its IT infrastructure environment. Some of the preventive measures in place are intrusion prevention system enabled perimeter firewalls, content filtering gateway, encryption for laptops and critical data at rest, regular software patching, etc. Bodhtree also conducts periodic internal and external audits.</p>
<p><b>Risk of Intellectual Property Rights (IPR) Infringements</b></p> <p>IP rights are violated when a software protected by IP laws is copied or otherwise used without having the proper authorization, permission from the person who owns those rights.</p> <p>Failure to address the problem could lead to legal case &amp; can also cause huge reputational loss to an organization.</p>	<p>Bodhtree has taken numerous steps to increase the awareness level of Bodhtree Minds such as executive communication, presentations to senior managers, etc.</p>

## OVERVIEW OF OPERATIONS:

During the year under review the Company reported operating profit of Rs.128.21 Lakhs. The Company reported profit primarily due to the measures brought in by the management to reduce operational costs without compromising the ability to earn and grow further. Your company is uniquely positioned to benefit immensely in the years to come with so many levers getting available for achieving growth. There are so many customers in your company's installed base getting a set of services in one or two focus areas of Bodhtree. As we start to push other focused areas' offerings to these installed base of customers, and as we start new areas of services into Bodhtree's offerings – these existing customers are expected to contribute more top line growth for this current fiscal year and beyond.

Bodhtree has started to rechristen itself as Systems Integrator (SI) in the market place, and thereby opening new areas of growth. With partnerships and collaborations getting into the strategy mix of Bodhtree's preparedness, this approach of SI to the market is expected to provide favorable results. Your company is already a strategic partner with renowned market players like Oracle, Salesforce.com, Tableau, and the likes – and the push to strengthen these relationships is also focus. Also, Bodhtree is continuing to foster similar relationships with other upcoming technology players.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The members are informed that the Company has been accredited with quality standards of ISO 9001:2008, ISO 27001:2005 and CMMI – Level 3. 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 and ISO 27001:2005 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.

#### **DISCUSSION ON FINANCIAL PERFORMANCE:**

During the financial year 2015-16, the Company has achieved revenue of Rs. 47,72,08,713/- and net profit of Rs. 1,77,08,992/- on a standalone basis. During the same period, the Company has achieved revenue of Rs. 47,72,08,713/- and net profit of Rs. 1,76,57,697/- on a consolidated basis.

The Basic and Diluted Earnings per share of the Company as on 31 March, 2016 is Rs. 1.01 and 0.94 on a standalone and consolidated basis.

The Paid up Share Capital of the Company as on 31 March, 2016 is Rs. 20,59,71,050/- comprising of 1,75,46,167 Equity Shares of Rs. 10/- each fully paid-up and 30,50,938 - 0.001% Compulsory Convertible Preference Shares of Rs. 10/- each fully paid-up.

#### **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.

**For and on behalf of the Board**

**Place: Hyderabad**

**Date: 12 August, 2016**

Sd/-

**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-

**K Rajesh**  
**Director**  
**DIN: 02727491**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31-03-2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L74140TG1982PLC040516
Registration Date	16/07/1982
Name of the Company	BODHTREE CONSULTING LIMITED
Category/Sub-Category of the Company	Company Limited by Shares; Indian Non-Government Company
Address of the Registered office and contact details	Block "A", Wing "2", Level-6, Cyber Gateway, Hitech City, Madhapur, Hyderabad, Telangana-500081. Ph: 040-66222333; Fax: 040-66222444 Email: <a href="mailto:cosecy@bodhtree.com">cosecy@bodhtree.com</a> Website: <a href="http://www.bodhtree.com">www.bodhtree.com</a>
Whether listed Company	YES
Name, Address and Contact details of Registrar and Transfer	M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharatnagar, Hyderabad, Telangana – 500018 Ph: 040-23818475; Fax: 23868024 Email: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a> Website: <a href="http://www.vccilindia.com">www.vccilindia.com</a>
Agent, if any	NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Business activities contributing 10 % or more of the total turnover of the Company

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	IT & ITES	Division 62	More than 50%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	M/s. Bodhtree Solutions Inc., 5201 Great America Parkway, Suite # 532, Santa Clara, CA 95054	N.A.	Holding	Equity Shares 51.29%	2(46)
2.	M/s. Bodhtree Human Capital Private Limited.,	U74900TG2016PTC103679	Subsidiary	Equity Shares 100%	2(87)(ii)

	Block A, Wing 2, Level 6, Cyber Gateway, Madhapur, Hyderabad – 500081.				
3	M/s. Pressmart Media Limited MJR Arcade, 3rd Floor, Plot # 1000, Gurukul Society, Khanamet, Madhapur, Hyderabad 500081	U74300TG20 06PLC051031	Associate	Equity Shares 33%	2(6)
4	M/s. Learnsmart (India) Private Limited Prakasham Nagar, Begumpet, Hyderabad - 500016	U80903TG20 07PTC052887	Associate	Equity Shares 22.62%	2(6)

**Note:** Though the Company holds more than 20% of total share capital in M/s. Pressmart Media Limited and M/s. Learnsmart (India) Pvt Ltd, there was no Significant Influence shown by the Company on affairs of those two Companies. There were no significant transactions with those two Companies during the period under review. Management of the Company is different from that of those two Companies.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	926200	--	926200	5.28	2194600	--	2194600	12.51	7.23
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	167000	--	167000	0.95	167000	--	167000	0.95	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A)(1):-</b>	<b>1093200</b>	<b>--</b>	<b>1093200</b>	<b>6.23</b>	<b>2361600</b>	<b>--</b>	<b>2361600</b>	<b>13.46</b>	<b>7.23</b>
<b>(2) Foreign</b>									
a) NRIs –									
Individuals	1268400	--	1268400	7.23	--	--	--	--	(7.23)
b) Other –	--	--	--	--	--	--	--	--	--
Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	9000000	--	9000000	51.29	9000000	--	9000000	51.29	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A)(2):-</b>	<b>10268400</b>	<b>--</b>	<b>10268400</b>	<b>58.52</b>	<b>9000000</b>	<b>--</b>	<b>9000000</b>	<b>51.29</b>	<b>(7.23)</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>11361600</b>	<b>--</b>	<b>11361600</b>	<b>64.75</b>	<b>11361600</b>	<b>--</b>	<b>11361600</b>	<b>64.75</b>	<b>--</b>

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	100000	--	100000	0.57	100000	--	100000	0.57	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>100000</b>	<b>--</b>	<b>100000</b>	<b>0.57</b>	<b>100000</b>	<b>--</b>	<b>100000</b>	<b>0.57</b>	<b>--</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	268157	221900	490057	2.79	404176	11500	415676	2.37	<b>(0.42)</b>
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	274410	83400	357810	2.04	1490777	94950	1585727	9.04	<b>7.00</b>
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1235417	1335750	2571167	14.65	1770722	745100	2515822	14.34	<b>(0.31)</b>
c) Others									
- Trust	642333	9000	651333	3.71	642333	9000	651333	3.71	--
- Non-resident Indians	418600	1560800	1979400	11.28	211579	589000	800579	4.56	<b>(6.72)</b>
- Clearing members	34800	--	34800	0.20	115430	--	115430	0.66	<b>0.46</b>
<b>Sub-total (B)(2):-</b>	<b>2873717</b>	<b>3210850</b>	<b>6084567</b>	<b>34.68</b>	<b>4635017</b>	<b>1449550</b>	<b>6084567</b>	<b>34.68</b>	<b>--</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>2973717</b>	<b>3210850</b>	<b>6184567</b>	<b>35.25</b>	<b>4735017</b>	<b>1449550</b>	<b>6184567</b>	<b>35.25</b>	<b>--</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>14335317</b>	<b>3210850</b>	<b>17546167</b>	<b>100.00</b>	<b>16096617</b>	<b>1449550</b>	<b>17546167</b>	<b>100.00</b>	<b>--</b>

**(ii) Shareholding of Promoters**

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	M/s. Bodhtree Solutions Inc., USA	9000000	51.29	--	9000000	51.29	--	--
2	M/s. Mas Trading & Investments Pvt Ltd	167000	0.95	--	167000	0.95	--	--
3	Monica Gupta	60100	0.34	--	60100	0.34	--	--
4	Rajiv Gupta	1268400	7.23	--	--	--	--	(7.23)
5	Sanjiv Gupta	866100	4.94	--	2134500	12.17	--	7.23
<b>Total</b>		<b>11361600</b>	<b>64.75</b>	<b>--</b>	<b>11361600</b>	<b>64.75</b>	<b>--</b>	<b>--</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No	Name Of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rajiv Gupta	1268400	7.23	--	--
2	Sanjiv Gupta	866100	4.94	2134500	12.17

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No	Name Of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rajiv Verma At the beginning of the year At the end of the year	720100 --	4.10 --	720100 720100	4.10 4.10
2	Bcl Employees Benefit Trust At the beginning of the year At the end of the year	651333 --	3.71 --	651333 651333	3.71 3.71
3	Kalpana Komati At the beginning of the year At the end of the year	315600 --	1.80 --	315600 315600	1.80 1.80
4	Torpunuri Vikramsimha At the beginning of the year At the end of the year	181567 --	1.03 --	181567 181567	1.03 1.03
5	Jai Kumar Akila Jai Kumar At the beginning of the year At the end of the year	179990 111000	1.03 0.63	179990 111000	1.03 0.63
6	Kuppuswamy Ramanujam Vignesh* At the beginning of the year At the end of the year	526000 --	3.00 --	526000 --	3.00 --
7	Kishore Tulla* At the beginning of the year At the end of the year	393650 --	2.24 --	393650 --	2.24 --
8	Padma Patibandla* At the beginning of the year At the end of the year	210400 --	1.20 --	210400 --	1.20 --
9	Jayachakra Ventures Private Limited* At the beginning of the year At the end of the year	210400 --	1.20 --	210400 --	1.20 --
10	Asad Latif* At the beginning of the year At the end of the year	200000 --	1.14 --	200000 --	1.14 --
11	Harikishen Brijmohan Soni# At the beginning of the year At the end of the year	10 437269	-- 2.49	10 437269	-- 2.49
12	Palaniappan Natarajan# At the beginning of the year	273400	1.56	273400	1.56

	At the end of the year	--	--	273400	1.56
13	Brij Mohan Soni#				
	At the beginning of the year	10	--	10	--
	At the end of the year	210400	1.20	210400	1.20
14	Dronamraju Vindhya#				
	At the beginning of the year	210400	1.20	210400	1.20
	At the end of the year	--	--	210400	1.20
15	Nalluri Chandrashekaran Murthy#				
	At the beginning of the year	166000	0.95	166000	0.95
	At the end of the year	--	--	166000	0.95

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the top 10 shareholder as on 01-04-2015.

# not in the list of top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder became one of the Top 10 shareholders as on 31-03-2016.

#### (v) Shareholding of Directors and Key Managerial Personnel:

S. No	Name of the director / key managerial personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sanjiv Gupta				
	At the beginning of the year	866100	4.94	866100	4.94
	At the end of the year	--	--	2134500	12.17

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8,30,06,222	3,18,72,929	-	11,48,79,151
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,30,06,222</b>	<b>3,18,72,929</b>	<b>-</b>	<b>11,48,79,151</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	30,20,019	-	-	30,20,019
• Reduction	56,50,827	31,47,928	-	87,98,755
<b>Net Change</b>	<b>(26,30,808)</b>	<b>(31,47,928)</b>		<b>(57,78,736)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,03,75,414	2,87,25,001	-	10,91,00,415
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,03,75,414</b>	<b>2,87,25,001</b>	<b>-</b>	<b>10,91,00,415</b>

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

S. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount in Rs.
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	L N Ramakrishna.	30,00,000
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - Others, specify...	-- --	-- --
5.	Others, please specify	--	--
<b>Total (A)</b>			<b>30,00,000</b>
Ceiling as per the Companies Act, 2013 read with Schedule V.		As per Member's resolution passed at the 33 <sup>rd</sup> Annual General Meeting	

**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of Directors			Total Amount
		Katragadda Rajesh	Nimmagadda Sriram	Muthukrishnan Swaminathan	
1.	<b>Independent Directors</b> • Fee for attending board / committee meetings • Commission • Reimbursement of expenditure for participation in the Board and other meetings	52,000 -- --	52,000 -- 20907	37,000 -- --	1,41,000 -- --
2.	<b>Total (1)</b>	<b>52,000</b>	<b>72,907</b>	<b>37,000</b>	<b>1,61,907</b>
	<b>Other Non-Executive Directors</b> • Fee for attending board / committee meetings • Commission • Others, please specify	Sanjiv Gupta 36,000 -- --	Krishnan Jayaraman -- -- --	Lakkimsetti Muneashwari -- -- --	-- -- -- --
	<b>Total (2)</b>	<b>36,000</b>	--	--	<b>36,000</b>
	<b>Total (B)=(1+2)</b>				<b>1,97,907</b>

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

S. No	Particulars of Remuneration	Name of KMP		Total Amount
		C.F.O.	CS	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	12,12,000	5,38,032*	17,50,032
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - Others, specify...	-- --	-- --	-- --
5.	Others, please specify	--	--	--
<b>Total</b>		<b>12,12,000</b>	<b>5,38,032</b>	<b>17,50,032</b>

\* out of Rs. 5,38,032, the newly appointed Company Secretary was paid Rs. 1,82,000 w.e.f. 15<sup>th</sup> December, 2015.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>Penalty</b>	--	--	--	--	--
<b>Punishment</b>	--	--	--	--	--
<b>Compounding</b>	--	--	--	--	--
<b>OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>	--	--	--	--	--
<b>Punishment</b>	--	--	--	--	--
<b>Compounding</b>	--	--	--	--	--

**For and on behalf of the Board**

Place: Hyderabad  
Date: 12 August, 2016

Sd/-  
**L N Ramakrishna.**  
Managing Director  
DIN: 03623543

Sd/-  
**K Rajesh**  
Director  
DIN: 02727491

## ANNEXURE – III

**A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- I) The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S No	Name of Director/KMP and Designation	The Percentage increase in remuneration of each director, CFO, CEO in the financial year	The percentage increase in the median remuneration of employees in the financial year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	L N Ramakrishna. Managing Director	Nil	3.86%	5.55 : 1	For the FY 2015-16, Key Managerial Personnel were paid approx. 26.82% of the net profit for the year.
2	Prabhakar Rao Kallur – Chief Financial Officer	30%			
3	G. Pushkarini# – Company Secretary	40%			
4	Srikanth Reddy Kolli* - Company Secretary	N.A.			

#Resigned w.e.f. 27<sup>th</sup> November, 2015\*Appointed w.e.f. 16<sup>th</sup> December, 2015

- II) The median remuneration of employees of the Company during the financial year was Rs. 5,40,231;
- III) In the financial year, there was an increase of 3.86% in the median remuneration of employees;
- IV) There were 218 permanent employees on the rolls of Company as on March 31, 2016;
- V) Relationship between average increase in remuneration and Company performance:-

The Profit before Tax for the financial year ended March 31, 2016 increased by 108.33% whereas the increase in median remuneration was 3.86%;

- VI) a) Variations in the market capitalization of the Company: The market capitalization as on 31 March, 2016 was Rs. 52,72,62,318/- which on 31 March, 2015 was Rs. 27,60,01,207/-.

b) Price Earnings ratio of the Company was Rs.1.01 as at 31 March, 2016 and was Rs.0.32 as at 31 March, 2015.

c) Percent increase / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in 1982. An amount of Rs.10/- invested in the said IPO would be worth Rs. 30.05/- as on 31 March, 2016 indicating a Compounded Annual Growth Rate of 3.29% (approximately). This is excluding the dividend accrued thereon;

VII) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 17 % whereas there was Nil increase in the managerial remuneration for the said financial year;

VIII) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Compensation Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees;

IX) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

S. No.	Name of the Employee	Ratio
1.	Chandra Shekar Sadanala*	1 : 1.09
2	Ambika Prasad Mohapatra	1 : 1.35
3	Prasad Purushothaman#	1 : 1.28

\*Resigned w.e.f. February, 2016. #Resigned w.e.f. January, 2016

and

X) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B.** Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S No	Employee Name	Designation	Educational Qualification	Age	Experience	Date of Joining	Gross remuneration paid	Previous employment and designation, If any	No. Shares held, If any	Remarks
--	--	--	--	--	--	--	--	--	--	--

**For and on behalf of the Board**

Place: Hyderabad

Date: 12 August, 2016

Sd/-  
**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-  
**K Rajesh**  
**Director**  
**DIN: 02727491**

**Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

**Part – A: Subsidiaries**

1	Name of the subsidiary	Bodhtree Human Capital Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	07 March 2016 to 31 March 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	10,000 Equity Shares of Rs 10/- each Rs 1,00,000/-
5	Reserves & surplus	--
6	Total assets	--
7	Total Liabilities	--
8	Investments	--
9	Turnover	--
10	Profit before taxation	--
11	Provision for taxation	--
12	Profit after taxation	--
13	Proposed Dividend	--
14	% of shareholding	100%

1. Incorporated during the year: M/s. Bodhtree Human Capital Private Limited.
2. Names of subsidiaries which are yet to commence operations: M/s. Bodhtree Human Capital Private Limited.

**Part – B: Associates and Joint Ventures**

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

1	Names of Associates and Joint Ventures	M/s. Learnsmart (India) Private Limited	M/s. Pressmart Media Private Limited
2	Latest Audited Balance Sheet*	--	--
3	Shares of Associates held by the Company on the year end: - Number of Shares of Rs. 10/- each. - Amount of Investment - Extent of Holding %	505000 5050000 22.62%	5257924 67199710 32.99%
4	Description of how there is significant influence*	--	--

5	Reason why the Associates are not consolidated	During the Financial Year 2015-16, for the first time the consolidation of Financial Account are applicable to the company. The Company is holding investments as aforesaid are termed as Associate Companies. The financial statements for these Companies for the financial year 2015-16 are not made available, hence the consolidation of these Companies are not considered while preparing the consolidated financial statements.	
6	Net worth attributable to shareholding as per latest audited Balance Sheet*	--	--
7	Profit / Loss for the year* - Considered in Consolidation - Not considered in Consolidation	--	--

\* Though the Company holds more than 20% of total share capital as aforesaid of two Companies there is no Significant Influence shown by the Company on affairs of those Companies. There were no significant transactions with those Companies during the period under review. Management of the Company is different from that of those two Companies. During the Financial Year 2015-16, for the first time the Consolidation of Financial Account are applicable to the Company. The Company is holding investments as aforesaid are termed as Associate companies. The financial statements for these Companies for the financial year 2015-16 are not made available by those Companies, hence the consolidation of these Companies are not considered while preparing the consolidated financial statements.

**For and on behalf of the Board**

Place: Hyderabad

Date: 12 August, 2016

Sd/-  
**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-  
**K Rajesh**  
**Director**  
**DIN: 02727491**

**ANNEXURE - V****FORM NO. AOC -2**

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2016, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

<b>Nature of contract &amp; Name of the related party</b>	<b>Nature of relationship</b>	<b>Duration of Contracts</b>	<b>Salient Terms</b>	<b>Amount (Rs. in Lakhs)</b>
<b>Sales</b>				
M/s. Bodhtree Solutions Inc.*	Holding Company	Ongoing	Ordinary course of business	1372.20
M/s. Bodhtree Consulting PTE Ltd	Fellow Subsidiary	--	--	--
M/s. Bodhtree Solutions PTE Ltd	Fellow Subsidiary	Ongoing	Ordinary course of business	0.49
M/s. Sreeven Infocom Ltd	Control	8 Months	Ordinary course of business	31.03
M/s. Kepler Information Systems Pvt Ltd	Control	1 Month	Ordinary course of business	52.41
<b>Managerial Remuneration</b>				
L N Ramakrishna	Managing Director	01-04-2015 to 31-03-2016	As per the terms and conditions of appointment	30.00
<b>Reimbursement of Expenses</b>				
M/s. Bodhtree Solutions Inc.	Holding	Ongoing	Not applicable	17.49

<b>Debit Balances</b>				
M/s. Bodhtree Solutions Inc.	Holding	N.A.	Ordinary course of business	257.78
M/s. Learnsmart (India) Pvt. Ltd.	Associate	N.A.	N.A.	339.57
M/s. Pressmart Media Ltd	Associate	N.A.	N.A.	0.34
M/s. Sreeven Infocom Ltd	Control	2 Months	N.A.	25.00
M/s. Kepler Information Systems Pvt Ltd	Control	3 Months	N.A.	149.30
<b>Credit Balances</b>				
L N Ramakrishna	Managing Director	9 Months	N.A.	297.20
M/s. Sreeven Infocom Ltd	Control	2 Months	N.A.	25.00
M/s. Kepler Information Systems Pvt Ltd	Control	3 Months	N.A.	149.30
<b>Investments</b>				
M/s. Pressmart Media Limited	Associate'	N.A.	Equity	672.00
M/s. Learnsmart (India) Private Limited	Associate	N.A.	Equity	50.50

\* The transaction with M/s. Bodhtree Solutions Inc, USA are material transaction for which the shareholder approval was obtained in their 33<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 for a period of 3 financial years and the value of such transactions are within the limits approved.

**For and on behalf of the Board**

Place: Hyderabad

Date: 12 August, 2016

Sd/-

**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-

**K Rajesh**  
**Director**  
**DIN: 02727491**

## ANNEXURE – VI

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.**

**(A) Conservation of energy- N.A.**

- i. the steps taken or impact on conservation of energy;
- ii. the steps taken by the Company for utilizing alternate sources of energy;
- iii. the capital investment on energy conservation equipment's;

**(B) Technology absorption- N.A.**

- i. the efforts made towards technology absorption;
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a. the details of technology imported;
  - b. the year of import;
  - c. whether the technology been fully absorbed;
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. the expenditure incurred on Research and Development.

**(C) Foreign exchange earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(In Rupees)

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Value of Imports – CIF Basis	Nil	Nil
Expenditure in Foreign Currency	1,71,79,087	1,16,68,692
Foreign Currency Earnings – FOB basis	27,56,52,048	26,92,34,511

**For and on behalf of the Board**

Place: Hyderabad  
Date: 12 August, 2016

Sd/-  
**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-  
**K Rajesh**  
**Director**  
**DIN: 02727491**

## **CORPORATE GOVERNANCE REPORT**

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Company's shares were listed on M/s. BSE Limited w.e.f. 04.05.2015 through direct listing after exit of M/s. Madras Stock Exchange Ltd. The Corporate Governance Report has been prepared in accordance with Regulation 34(3), 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herein after called as Listing Regulations.

### **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 by complying with regulatory requirements and maintaining high standards of moral and ethical conduct 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.

The Company has complied with the requirements of the Corporate Governance code in terms of Listing Regulations *except with regard to appointment of woman director which was done with a delay of 7.5 months from the deadline set by the SEBI as disclosed herein below.*

### **II. BOARD OF DIRECTORS:**

The Board of Directors presently comprises of 7 (Seven Directors), having versatile knowledge and skills in their respective domains, out of which 6 (six) are Non-Executive Directors. The Company has a Non-Executive Director as the Chairman. The Independent Directors are more than 1/3<sup>rd</sup> of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company. *However, Woman Director was appointed on the board of Company with a delay of 7.5 months from the deadline issued by Securities Exchange Board of India due to the time taken to find the competent and suitable qualified resource.*

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 Attended	No. of other Directorships <sup>1</sup>	Committee Positions <sup>2</sup>	
		Held	Attended			Member	Chairman
Sanjiv Gupta	Non-executive Promoter Director	6	6	Yes	6	0	0
L N Ramakrishna	Managing Director	6	6	Yes	0	0	0
N. Sriram	Non-executive Independent Director	6	6	Yes	1	2	0
K.Ramanujam <sup>3</sup>	Non-executive, Non-Independent Director	1	0	No	5	2	0
K. Rajesh	Non-executive Independent Director	6	6	Yes	2	2	2
Krishnan Jayaraman	Non-executive Chairman	4	0	No	0	0	0
Muthukrishnan Swaminathan	Non-executive Independent Director	6	6	Yes	5	2	0
Muneashwari Lakkimsetti	Non-executive, Non-Independent Director	2	1	No	0	0	0

1. Excluding Directorship in Foreign Companies and Companies incorporated u/s.8 of Companies Act, 2013

2. Only Membership of Audit and Stakeholders Relationship Committees are considered.

3. Resigned w.e.f. 5<sup>th</sup> August, 2015.

During the year under review Six Board Meetings were held on 30.05.2015, 14.08.2015, 17.09.2015, 27.10.2015, 14.11.2015 and 12.02.2016.

Your Company holds minimum of four board meetings in each year with maximum time gap of four 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 in accordance with the provisions of Regulations 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 comprising of Three Non-Executive Independent directors.

The Committee is empowered with the powers as prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. 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 Regulation 18 of the Listing Regulations.

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	K. Rajesh	Chairman	4	4
2	N. Sriram	Member	4	4
3	Muthukrishnan Swaminathan <sup>\$</sup>	Member	4	3

*\$ Appointed on 30<sup>th</sup> May, 2015*

Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

Managing Director, Chief Financial Officer, 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 4 (four) times during the year under review on 30<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 14<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. The gap between two audit Committee meetings was not more than four months. The necessary quorum was present at all the meetings. The Company Secretary acts as Secretary for the meetings.

#### b) Nomination and Remuneration Committee:

Nomination and Remuneration Committee was duly constituted in accordance with the requirements of the Companies Act, 2013 and Listing Regulations. The Committee is authorized as per the provisions of Companies Act, 2013 and to negotiate, finalize and approve the terms of appointment for Directors/Managing Directors/Whole time Directors and other Senior Executives on behalf of the Company. The composition of the said committee is as follows:

S No.	Name of the Director	Nature of Directorship	Category	No. of meetings held during the year	No. of meetings attended
1	K. Ramanujam <sup>#</sup>	Non-executive Non-Independent Director	Member	1	0
2	K. Rajesh	Non-executive Independent Director	Chairman	3	3
3	N. Sriram	Non-executive Independent Director	Member	3	3
4	Sanjiv Gupta	Non-executive Non-Independent Director	Member	3	3

*# resigned w.e.f. 5<sup>th</sup> August, 2015.*

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

The Nomination and 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 Committee also evaluates the performance of Directors 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:

<b>(Amount in Rs.)</b>				
Name of Director	Salary & allowances	Other Benefits	Designation	Gross Remuneration
L N Ramakrishna.	30,00,000	-	Managing Director	30,00,000

#### **For Non-Executive Directors:**

Compensation paid to Non-Executive Directors and their shareholding is as follows:

Name of the Director	Sitting Fee Paid (Rs.)	No. of shares held on 31-03-2016
Sanjiv Gupta	36,000	21,34,500
N. Sriram	52000	NIL
K. Ramanujam <sup>*</sup>	NIL	NIL
K. Rajesh	52,000	NIL
Krishnan Jayaraman <sup>§</sup>	NIL	NIL
Muthukrishnan Swaminathan <sup>#</sup>	37000	NIL
L Muneashwari <sup>&amp;</sup>	NIL	NIL

*\* resigned w.e.f 5<sup>th</sup> August, 2015. # appointed w.e.f. 30<sup>th</sup> May, 2015.*

*\$ appointed w.e.f. 17<sup>th</sup> September, 2015. & appointed w.e.f. 14<sup>th</sup> November, 2015*

Other than payment of sitting fees to Non-executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees during the current year.

**a) Stakeholders' Relationship Committee:**

The present composition of the Stakeholders' Relationship Committee is as under:

S. No.	Name of the Director	Designation
1	K. Rajesh	Chairman
2	Kuppusamy Ramanujam*	Member
3	N. Sriram	Member
4	Muthukrishnan Swaminathan#	Member

\* Resigned w.e.f 5<sup>th</sup> August, 2015; # appointed w.e.f. 30<sup>th</sup> May, 2015.

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 Regulation 27 of the Listing Regulations, the Board delegated the powers to approve share transfers/transmissions and compliance 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, 2016.

The Committee oversees the performance of the Registrar and Transfer agents and recommend measures for overall improvement in the quality of investor services.

Email-id for Investor Grievances: [cosecy@bodhtree.com](mailto:cosecy@bodhtree.com)

**b) Risk Management Committee:**

Risk Management Committee was duly constituted in accordance with the requirements of the Listing Agreement. The composition of Risk Management committee is as follows:

S. No.	Name of the Director	Designation
1	K. Rajesh	Chairman
2	Kuppusamy Ramanujam*	Member
3	N. Sriram	Member
4	Muthukrishnan Swaminathan#	Member

\*Resigned w.e.f 5<sup>th</sup> August, 2015; # appointed w.e.f. 30<sup>th</sup> May, 2015

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

The Committee acts in terms of reference of the Board and was entrusted with the responsibility to assess the risks, frame, implement and monitor the risk management plan for the Company through means of properly defined roles and responsibilities.

#### **IV. GENERAL BODY MEETINGS:**

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

<b>Year</b>	<b>Location</b>	<b>Date&amp; Time</b>	<b>Special Resolutions</b>
2014-15	Best Western Jubilee Ridge, Plot No. 38 & 39, Kavuri Hills Next to Hi-tech city, Madhapur, Hyderabad -500034, Telangana State, India	30.09.2015 04.00 P.M.	i) Issue of Compulsory Convertible Preference Shares; ii) Adoption of new set of Articles; and v) Approval of Related Party Transactions.
2013-14	Gen X Kasani GR Hotel, Beside Indian Oil Petrol Pump, Hitech-city, Madhapur, Hyderabad -500081, India	23.12.2014 10.00 A.M.	Appointment of MD for a period of 3 years.
2012-13	Crystal-II Hall, Hotel Aditya Sarovar Premiere, Hitech City, Gachibowli, Hyderabad-500032, India	28.06.2013 10.00 A.M.	No Special Resolution.

##### **ii) Special Resolutions passed in Extra-Ordinary General Meetings during the last three years are as follows:**

<b>Year</b>	<b>Date</b>	<b>Special Resolutions</b>
2015-16	No Extra Ordinary General Meeting of the Members was held during the year	
2014-15	No Extra Ordinary General Meeting of the Members was held during the year	
2013-14	No Extra Ordinary General Meeting of the Members was held during the year	

##### **iii) Special Resolution passed during the year through postal ballot:**

No Special Resolution has been passed by the Company through postal ballot during the year under review.

#### **V. DISCLOSURES:**

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

Besides the transactions mentioned elsewhere in 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 *except the delay in appointment of Woman Director as required by the SEBI*. 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 and Vigil Mechanism, 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(ix) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2016.

**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 framed the Code of Conduct for Directors and Senior Management. 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, 2016. 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 Listing Regulations *except the delay of 7.5 months in appointment of woman director on the board*.

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

Mr. L N Ramakrishna, Managing Director is the spouse of Mrs. Muneashwari Lakkimsetti who was appointed as Additional Director of the Company on 14<sup>th</sup> November, 2015. No other Director is related to any other Director on the Board in terms of provisions of Section 2(77) of the Companies Act, 2013 and rules made there-under.

**ix) Familiarization programmes of Independent Directors:**

The Company conducted familiarization programmes for the Independent Directors to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Company also conducted a separate programme on the latest SEBI Regulations to promote training to the Directors to ensure that the Board Members are kept up to date.

**x) Material Subsidiaries: N.A.**

**xi) Related Party Transactions:**

The policy on dealing with related party transactions has been posted on the website of the Company i.e. <http://www.bodhtree.com/downloads/Policy on Related Party Transactions.pdf>

## **VI. MEANS OF COMMUNICATION:**

a) Quarterly results:

The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

b) Newspapers wherein results normally published:

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

c) Any website, where displayed:

The results of the Company are displayed on the Company's website: [www.Bodhtree.com](http://www.Bodhtree.com).

d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company website: [www.Bodhtree.com](http://www.Bodhtree.com).

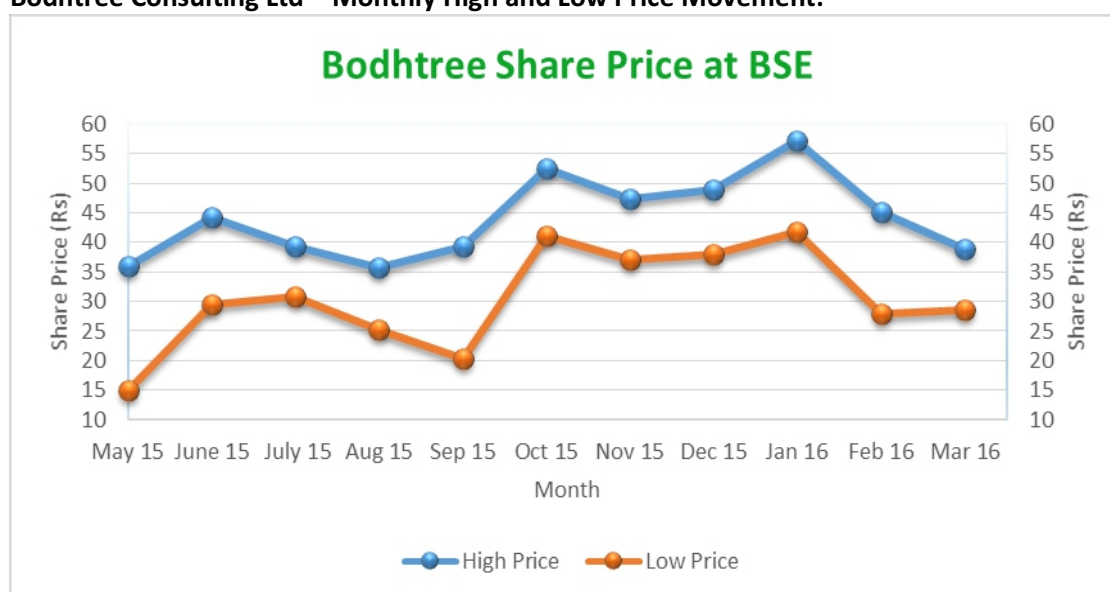
Management Discussion & Analysis forms part of the Annual Report.

## **VII. GENERAL SHAREHOLDER INFORMATION:**

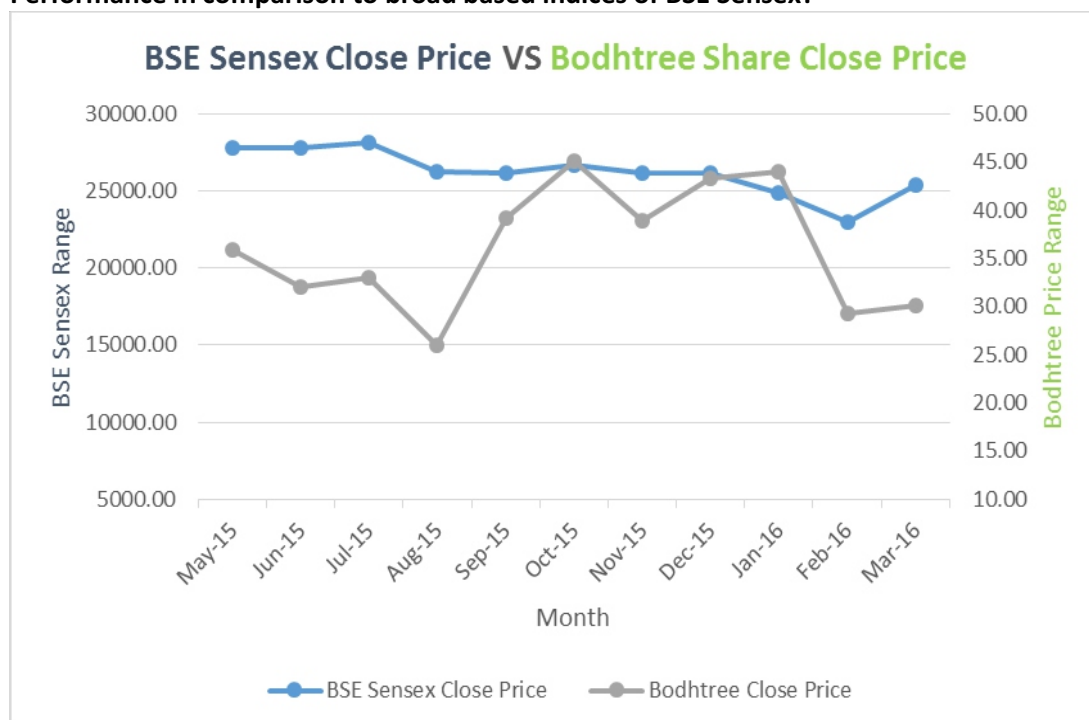
<b>a.</b>	<b>Annual General Meeting:</b>	34 <sup>th</sup> Annual General Meeting
	<b>Date and time</b>	30 <sup>th</sup> September, 2016 at 09.00 A.M.
	<b>Place</b>	Crystal-II, Radisson, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032
<b>b.</b>	<b>Financial Year</b>	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
<b>c.</b>	<b>Date of Book Closure</b>	24 <sup>th</sup> September, 2016 to 30 <sup>th</sup> September, 2016 (Both days inclusive)
<b>d.</b>	<b>Dividend Payment Date</b>	N.A.
<b>e.</b>	<b>Listing on Stock Exchanges</b>	M/s. BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Listed on BSE w.e.f. 4 <sup>th</sup> May, 2015
<b>f.</b>	<b>Demat ISIN No. in NSDL &amp; CDSL for Equity shares and Stock Code</b>	1NE104F01011 539122
	The listing fee and custodial fee was paid upto date to the Stock Exchanges and Depositories.	
<b>g.</b>	<b>Market Price Data:</b> High, Low, No. of shares	

traded during each month in last financial year	May-15	35.91	14.99	111302
	Jun-15	44.15	29.55	94959
	Jul-15	39.3	30.7	51980
	Aug-15	35.7	25.15	131844
	Sep-15	39.2	20.35	235077
	Oct-15	52.4	41.15	665433
	Nov-15	47.3	37	212446
	Dec-15	48.8	38.05	762081
	Jan-16	57.25	41.8	1108878
	Feb-16	45.1	27.9	301747
	Mar-16	38.85	28.5	131988

**Bodhtree Consulting Ltd – Monthly High and Low Price Movement:**



**Performance in comparison to broad based indices of BSE Sensex:**



<b>h.</b>	<b>Registrar and Transfer agents</b>	M/s. Venture Capital and Corporate Investments Private Limited, Address: 12-10-167, Bharatnagar, Hyderabad-500018				
<b>i.</b>	<b>Share transfer system</b>	SEBI vide its Circular No. CIR/MIRSD/8/2012, dated 5 July 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.				
<b>j.</b>	<b>Shareholding Pattern as on 31.03.2016</b>	<b>Group</b>		<b>No. of Equity shares</b>	<b>%</b>	
		Promoter		11361600	64.75	
		Individual investors		4101549	23.38	
		Bank & Institutions		100000	0.57	
		Bodies Corporate		418518	2.39	
		Others		1564500	8.91	
		<b>Total:</b>		<b>17546167</b>	<b>100.00</b>	
<b>k.</b>	<b>Distribution of Equity shares as on 31.03.2016</b>	<b>Category</b>	<b>No. of Shareholders</b>	<b>% to Shareholders</b>	<b>No. of Shares held</b>	<b>% to Capital</b>
		Upto – 500	1179	67.80	213206	1.22
		501 - 1000	201	11.56	174776	1.00
		1001 - 2000	120	6.90	197469	1.13
		2001 - 3000	54	3.11	135021	0.77
		3001 - 4000	30	1.73	107503	0.61
		4001 - 5000	45	2.59	218023	1.24
		5001 - 10000	46	2.65	372888	2.13
		10001 and above	64	3.68	16127281	91.91
		<b>Total</b>	<b>1739</b>	<b>100.00</b>	<b>17546167</b>	<b>100.00</b>
<b>l.</b>	<b>Dematerialization of shares and Liquidity</b>	91.74% of the shares have been dematerialized up to 31 <sup>st</sup> March, 2016. Trading in Equity shares of the Company is permitted only in Dematerialized form.				
<b>m.</b>	<b>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>n.</b>	<b>Registered Office and Address for correspondence</b>	Block "A", Wing "2", Level -6, Cyber Gateway, Madhapur, Hyderabad- 500 081 Telangana, India Phones: +91-40-66222333 Fax: + 91-40-66222444 Email: cosecy@bodhtree.com Website: www.bodhtree.com
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**For and on behalf of the Board**

Place: Hyderabad  
Date: 12 August, 2016

Sd/-  
**L N Ramakrishna.**  
**Managing Director**  
**DIN: 03623543**

Sd/-  
**K Rajesh**  
**Director**  
**DIN: 02727491**

**NISAR & KUMAR**

Chartered Accountants

Door No. 6-2-941, Flat No. 205, Mughal's Emami Mansion, Khairatabad, Hyderabad - 500 004

Ph. Nos. 040 66758388; email: contact@nisarkumar.in

To

The Members of M/s. Bodhtree Consulting Limited,

**CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of corporate governance by M/s. Bodhtree Consulting Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and Chapter IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated. It 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 by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and Chapter IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nisar & Kumar**

Chartered Accountants

Firm Registration No: 127820W

Sd/-

**T.N.V.Visweswara Rao**

Partner

Membership No: 204084

Place: Hyderabad

Date: 12 August, 2016

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

For the Financial Year Ended 31<sup>st</sup> March, 2016

To,  
**The Members,**  
**M/s. Bodhtree Consulting Limited**  
**Hyderabad.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Bodhtree Consulting Limited**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on *31<sup>st</sup> March, 2016* according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made under and the Companies Act, 1956 (to the extent applicable);
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company in the financial year under report:-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**3. The industry specific laws that are applicable to the Company are as follows:**

- (a) The Information Technology Act, 2000 and the rules made there under; and
- (b) Policy relating to Software Technology Parks of India and its regulations

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

- a. Secretarial Standards SS-1 and SS-2 with respect to meetings of the board of directors and general meetings respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1<sup>st</sup> July, 2015 under the provisions of section 118(10) of the Act.
- b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Effective from 01.12.2015) and The Listing Agreements entered into by the Company with BSE Limited (since repealed).

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except the following*:

- i) *There was delay of 227 days in the appointment of Woman Director which is a non-compliance of the provisions of section 149 of the Act read with SEBI circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014.*
- ii) *There was a delay of 41 days in submission of Form FCGPR through Authorised Dealer Banker to the RBI, as required under the provisions of Foreign Exchange Management Act, 1999 and Regulations made there under.*
- iii) *The Company has been filing the forms and returns with the Ministry of Corporate Affairs as required under the provisions of the Act. However, there are various instances of filing the forms/returns with delay.*

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except woman director. However, the Company has appointed Mrs. Muneashwari Lakkimsetti as Additional Director w.e.f. 14<sup>th</sup> November, 2015.*

During the Period under review

- i) The appointment of Mr. Ramakrishna Lakkimsetti Naga appointed as Managing Director for a period of five years with effect from 24 January, 2015, was approved by shareholders at their 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2015.
- ii) Mr. K Ramanujam, Director resigned from directorship w.e.f. 05<sup>th</sup> August, 2015.

iii) Mr. Muthukrishnan Swaminathan who was co-opted as Additional Director w.e.f. 30<sup>th</sup> May, 2015 was appointed as an Independent Director and the same was ratified by shareholders at their 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2015.

iv) Mr. Krishnan Jayaraman has been co-opted as an Additional Director w.e.f 17<sup>th</sup> September, 2015.

During the year under review Ms. Pushkarini Gopiseti, Company Secretary & Compliance Officer has resigned with effect from 27.11.2015 and Mr. Srikanth Reddy Kolli has been appointed as Company Secretary and Compliance Officer W.e.f. 16.12.2015.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As a general practice of the Board, decisions were taken on majority consent.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.

**We further report that during the year under review**

1. The Company's equity shares got listed and admitted to dealings w.e.f. May 04, 2015, on the BSE Limited.
2. Shareholders of the Company approved the following resolutions at their Annual General Meeting held on 30<sup>th</sup> September, 2015:
  - a) Increase of Authorised share capital of the Company from Rs. 19 Crore to Rs. 37 Crores.
  - b) Issue of 0.001% compulsory convertible preference shares of face value of Rs. 10/- (Rupees Ten Only) each at such premium aggregating to Rs.18.00 crores (Rupees Eighteen Crores Only) on preferential basis.
  - c) To adopt new articles of association by replacing all the existing Articles In order to bring the Article of Association in line with the provisions of Companies Act, 2013 and Rules made there under.

**For P.S. Rao & Associates  
Company Secretaries**

**Place: Hyderabad  
Date: 12.08.2016**

Sd/-  
**P.S. RAO**  
**Company Secretary**  
**ACS No: 9769**  
**C P No: 3829**

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

**'Annexure - A'**

To,  
**The members,  
M/s. Bodhtree Consulting Limited  
Hyderabad**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Rao & Associates  
Company Secretaries**

**Place: Hyderabad  
Date: 12.08.2016**

Sd/-  
**P.S. RAO  
Company Secretary  
ACS No: 9769  
C P No: 3829**

## **Managing Director (CEO) and CFO Certification**

We have reviewed the financial statements read with the cash flow statement of Bodhtree Consulting Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.  
  
(ii) These statements together present true and fair view of the Company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the auditors and the Audit committee that there are no:
  - (1). Significant changes in internal control over financial reporting during the year;
  - (2). Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3). Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Hyderabad  
Date: 30.05.2016

Sd/-  
**L N Ramakrishna**  
**Managing Director**

Sd/-  
**Prabhakar Rao Kallur**  
**Chief Financial Officer**

## **DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

I, L N Ramakrishna, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the financial year 2015-2016.

Place: Hyderabad  
Date: 12.08.2016

Sd/-  
**L N Ramakrishna.**  
**Managing Director**

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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BODHTREE CONSULTING LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **BODHTREE CONSULTING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the standalone financial statements.

**Basis for Qualified Opinion**

The company has a strategic long term investments in Equity Shares of certain companies, the cost of acquisition of those investments is Rs.722.50 lacs. Based on the Latest Audited Financial Statements of those companies made available to us the breakup value of those investments works out to Rs.125.82 lacs. Accordingly, the decline in value i.e. Rs. 596.68 lacs, being the difference between cost of acquisition and the breakup value, which in our view is of other than of temporary nature, is not provided for in the Statement of Profit and Loss. Had the company considered the diminution in value of investments the profit for the year would have been lower by the said amount.

Further the company has given advance of Rs.339 lacs and Rs.310 lacs receivable on account of services rendered by the company, which in our view are doubtful of recovery against which the company has not made any provision. Had the company considered the provision for the aforesaid amounts the profit for the year would have been lower 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 above, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in 'Annexure B'; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Nisar & Kumar**  
Chartered Accountants  
(Firm Registration No. 127820 W)

Sd/-  
**T.N.V.Visweswara Rao**  
Partner  
(Membership No. 204084)

Place: Hyderabad  
Date: 30 May, 2016

**ANNEXURE A to the Auditor's Report**

**The annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:**

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification and material discrepancies noticed on such verification have been properly dealt with in the books of account;
- (c) Since the company does not own any immovable properties Clause (i)(c) is not applicable.
- (i) Since the company does not have inventory Clauses (ii) are not applicable.
- (ii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iii) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (iv) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (v) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vi) (a) According to the records of the company, the company is regular in depositing the undisputed statutory dues of Employee State Insurance, Value Added Tax, however, the company has not deposited undisputed statutory dues of provident fund, income-tax, service tax, with the appropriate authorities. The arrears of statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable are as under.

S. No	Nature of Due	Amount in Rs.
1	Income Tax	1,50,04,973
2	Service Tax	62,33,298
3	Provident Fund	1,31,78,075

(b) According to the records of the company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of dispute.

- (viii) According to the records of the company, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

- (ix) According to the record of the company, during the year the company has not raised funds by way of public offering or term loans and hence Clause (ix) is not applicable.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company, hence this clause is not applicable to the Company.
- (xiii) In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) During the year under review the company has made private placement of Shares which is in compliance with section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For Nisar & Kumar**  
Chartered Accountants  
(Firm Registration No. 127820 W)

Sd/-  
**T.N.V.Visweswara Rao**  
Partner  
(Membership No. 204084)

Place: Hyderabad  
Date: 30 May, 2016

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**ANNEXURE B to the Auditor's Report**

Report on the Internal Financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BODHTREE CONSULTING LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Nisar & Kumar**

Chartered Accountants  
(Firm Registration No. 127820 W)

Sd/-

**T.N.V.Visweswara Rao**

Partner  
(Membership No. 204084)

Place: Hyderabad

Date: 30 May, 2016

**BALANCE SHEET AS AT 31ST MARCH 2016**

		Amount in Rs.	
Particulars	Note No.	As At 31st March, 2016	As At 31st March, 2015
<b>I. EQUITY AND LIABILITIES:-</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	205,971,050	175,461,670
(b) Reserves and Surplus	3	175,249,807	90,420,179
		<b>381,220,857</b>	<b>265,881,849</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	23,638,665	22,462,354
(c) Long Term Provisions	5	3,589,696	4,716,381
		<b>27,228,361</b>	<b>27,178,735</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	82,583,573	90,797,942
(b) Trade Payables	7	42,667,330	33,604,959
(c) Other Current Liabilities	8	117,879,856	108,899,308
(d) Short-Term Provisions	9	2,803,150	3,488,318
		<b>245,933,909</b>	<b>236,790,527</b>
<b>Total Equity &amp; Liabilities</b>		<b>654,383,127</b>	<b>529,851,111</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		45,006,242	38,788,411
(ii) Intangible Assets		948,880	1,964,797
(ii) Intangible Asset Under Development		97,274,988	-
		<b>143,230,110</b>	<b>40,753,208</b>
(b) Non-Current investments	11	72,387,409	72,287,409
(b) Deferred Tax Asset	12	12,717,494	7,829,638
(c) Long term Loans and Advances	13	50,217,792	51,053,187
		<b>278,552,805</b>	<b>171,923,442</b>
<b>(2) Current Assets</b>			
(a) Trade receivables	14	244,319,352	211,338,986
(b) Cash and cash equivalents	15	22,375,102	32,491,086
(c) Short-term loans and advances	16	56,008,080	58,484,132
(d) Other Current Assets	17	53,127,788	55,613,465
		<b>375,830,322</b>	<b>357,927,669</b>
<b>Total Assets</b>		<b>654,383,127</b>	<b>529,851,111</b>
<b>Significant Accounting Policies</b>	1.3		
The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Financial Statements.			
As per our attached report of even date			
<b>For Nisar &amp; Kumar</b> <b>Chartered Accountants</b> Firm Reg. No: 127820W  Sd/- <b>T.N.V.Visweswara Rao</b> <b>Partner</b> <b>M.No. 204084</b>		<b>For Bodhtree Consulting Limited</b> CIN: L74140TG1982PLC040516  Sd/- <b>L. N.Ramakrishna</b> <b>Managing Director</b> DIN: 03623543  Sd/- <b>K.Prabhakar Rao</b> <b>Chief Financial Officer</b>	
Place: Hyderabad Date: 30-05-2016		Sd/- <b>K. Rajesh</b> <b>Director</b> DIN: 02727491  Sd/- <b>K.Srikanth Reddy</b> <b>Company Secretary</b>  Place: Hyderabad Date: 30-05-2016	

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

			Amount in Rs.	
	Particulars	Note No.	Year Ended 31st March, 2016	Year Ended 31st March, 2015
	Revenue from operations	18	462,137,180	428,214,301
	Other Income	19	15,071,533	5,723,671
	<b>Total Revenue - (A)</b>		<b>477,208,713</b>	<b>433,937,972</b>
	<b>Expenses:</b>			
	Work Execution expenses	20	178,225,767	90,597,720
	Employee Benefits Expense	21	177,335,668	224,161,520
	Finance Costs	22	14,896,408	8,601,867
	Depreciation and Amortization Expense	10	12,709,940	15,312,865
	Other Expenses	23	81,219,794	89,109,712
	<b>Total Expenses - (B)</b>		<b>464,387,577</b>	<b>427,783,684</b>
	<b>Profit before exceptional and extraordinary items and tax - (A) -(B)</b>		<b>12,821,136</b>	<b>6,154,288</b>
	<b>Profit Before Tax</b>		<b>12,821,136</b>	<b>6,154,288</b>
	<b>Tax expense:</b>			
	(a) Current Tax		2,736,236	10,799,165
	(Less):- Mat Credit		(2,736,236)	-
	(b) Deferred Tax - Liability / (Asset)		(4,887,855)	(10,250,662)
	<b>Profit/(Loss) for the Year</b>		<b>17,708,992</b>	<b>5,605,784</b>
	Earning per equity share:			
	(a) Basic	24	1.01	0.32
	(b) Diluted		0.94	0.32
	Significant Accounting Policies	1.3		

The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Financial Statements.

As per our attached report of even date

**For Nisar & Kumar**  
**Chartered Accountants**  
 Firm Reg. No: 127820W

Sd/-  
**T.N.V.Visweswara Rao**  
**Partner**  
**M.No. 204084**

Place: Hyderabad  
 Date: 30-05-2016

**For Bodhtree Consulting Limited**  
 CIN: L74140TG1982PLC040516

Sd/-  
**L. N.Ramakrishna**  
**Managing Director**  
 DIN: 03623543

Sd/-  
**K.Prabhakar Rao**  
**Chief Financial Officer**

Place: Hyderabad  
 Date: 30-05-2016

Sd/-  
**K. Rajesh**  
**Director**  
 DIN: 02727491

Sd/-  
**K.Srikanth Reddy**  
**Company Secretary**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016**

(Amount in Rs.)

PARTICULARS		2015-16		2014-15
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Taxation		12,821,136		6,154,289
<b>Adjustment for:</b>				
Depreciation	12,709,940		15,312,865	
Finance Costs	14,896,408		8,601,867	
Interest received	(3,016,683)		(2,024,896)	
Provision for Gratuity	1,068,680		2,271,257	
Provision for Leave Encashment	731,936		4,013,725	
Trade Payables no longer required to be paid	(24,625)		-	
Payment to Employees no longer required to be paid	(155,973)		-	
Advances from Customers no longer required to be paid	(15,935)		-	
Unrealised exchange loss /(profit)	(3,838,303)		42,528	
Bad Debts Written off	662,862		14,380	
Loans and Advances written off	75,997		-	
Prior Period Items	1,234,035		-	
Loss/ (Profit ) on Sale of Asset	-		(205,857)	
		24,328,338		28,025,869
<b>Operating profit before working capital changes</b>		<b>37,149,474</b>		<b>34,180,158</b>
<b>Adjustment for change in Working Capital</b>				
Decrease/(Increase) in Short Term Deposits, Loans & Advances	1,556,406		4,053,913	
Decrease/(Increase) in Long Term Deposits, Loans & Advances	(1,755,000)		(5,175,082)	
Increase/ (Decrease) in Trade Payables	9,086,996		27,369,908	
Increase/ (Decrease) in Current Liabilities	7,893,133		28,610,647	
Decrease/(Increase) in Trade Receivables	(29,804,924)		(108,488,333)	
Decrease/(Increase) in Other Current Assets	1,772,898		(5,394,498)	
Gratuity Paid	(2,240,588)		(975,902)	
Leave Encashment Paid	(1,371,881)		(1,790,456)	
		(14,862,960)		(61,789,803)
<b>Cash Generated from Operations</b>		<b>22,286,514</b>		<b>(27,609,645)</b>
<b>Less:</b>				
Aggregate Direct Taxes paid/(Refund)	(2,590,395)		(1,201,764)	
		(2,590,395)		(1,201,764)
<b>Net Cash from Operating Activities</b>		<b>24,876,909</b>		<b>(26,407,881)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(17,911,853)		(11,644,847)	
Product Development Cost	(97,274,988)		-	
Investments in Subsidiary	(100,000)		-	
Sale of Fixed Assets	-		2,735,000	
Interest Received on Fixed Deposit	3,339,076		2,024,897	
		(111,947,765)		(6,884,950)
<b>Net Cash used in Investing Activities</b>		<b>(111,947,765)</b>		<b>(6,884,950)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Share Capital Including Share Premium	97,630,016		-	
Proceeds from Long term loans	5,440,000		1,885,672	
Repayment of Long term loans	(3,004,366)		(6,265,336)	
Repayment of Short Term Borrowings	(8,214,370)		-	
Proceeds from Short Term Borrowings			60,804,537	
Finance Charges	(14,896,408)		(8,601,867)	
		76,954,872		47,823,006
<b>Net cash generated through financing activities</b>		<b>76,954,872</b>		<b>47,823,006</b>
<b>Net Increase/(Decrease) in Cash and equivalents (A+B+C)</b>		<b>(10,115,984)</b>		<b>14,530,175</b>
Cash & Cash Equivalents at the Beginning of the Year		<b>32,491,086</b>		<b>17,960,911</b>
Cash & Cash Equivalents at the End of the Year		<b>22,375,102</b>		<b>32,491,086</b>
Note:-				
(i). The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 'Cash Flow Statements'.				
(ii). Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:				
		2015-16		2014-15
Cash on hand and balances with banks				
Cash and cash equivalent as per cash flow statement		158,014		77,601
Add: In Deposit a/c - Held as Margin Money		22,217,088		32,413,485
<b>Cash and cash equivalent as per balance sheet</b>		<b>22,375,102</b>		<b>32,491,086</b>
As per our attached report of even date				
For Nisar & Kumar Chartered Accountants Firm Reg. No: 127820W		For Bodhtree Consulting Limited CIN: L74140TG1982PLC040516		
Sd/- T.N.V.Visweswara Rao Partner M.No. 204084		Sd/- L. N.Ramakrishna Managing Director DIN: 03623543		
Place: Hyderabad Date: 30-05-2016		Sd/- K.Prabhakar Rao Chief Financial Officer Place: Hyderabad Date: 30-05-2016		
		Sd/- K. Rajesh Director DIN: 02727491		
		Sd/- K.Srikanth Reddy Company Secretary		

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

Note : 2 Share Capital		Amount in Rs.	
	Particulars	As At 31st March, 2016	As At 31st March, 2015
	<b><u>AUTHORIZED CAPITAL</u></b>		
	3,10,00,000 Equity Shares of Rs. 10/- each	310,000,000	190,000,000
	60,00,000 Preference Shares of Rs. 10/- each	60,000,000	-
		370,000,000	190,000,000
	<b><u>ISSUED , SUBSCRIBED &amp; FULLY PAID UP CAPITAL</u></b>		
	1,75,46,167 Equity Shares of Rs. 10/- each with Voting Rights Previous Year	175,461,670	175,461,670
	1,75,46,167 Equity Shares of Rs. 10/- each with Voting Rights		
	30,50,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each Previous Year	30,509,380	-
	Nil		
	<b><u>Equity Shares of Rs.10/- each:</u></b>		
	<b>Shares held by Holding Company</b>		
	Name of Company                      2015-16                      2014-15		
	No.of shares      %      No.of shares      %		
	Bodhtree Solutions Inc    90,00,000    51.29    9,000,000    51.29		
	<b>Shareholders having more than 5% of the shares</b>		
	Name of Shareholder                      2015-16                      2014-15		
	No.of shares      %      No.of shares      %		
	1.Bodhtree Solutions Inc                      9,000,000    51.29    90,00,000    51.29		
	2.Sanjiv Gupta                      2134500    12.17    Nil    Nil		
	3.Rajiv Gupta                      Nil    Nil    1,268,400    7.23		
	<b>Reconciliation of Shares</b>	<b>2015-16</b>	<b>2014-15</b>
	Opening Equity Shares                      17,546,167                      17,546,167		
	Add: Shares Issued during the year with Pari Passu rights                      ---                      ---		
	Closing Equity Shares                      17,546,167                      17,546,167		
	<b><u>0.001% Compulsorily Convertible Preference Shares of Rs. 10 each</u></b>		
	<b>Shareholders having more than 5% of the shares</b>		
	Name of Shareholder                      2015-16                      2014-15		
	No.of shares      %      No.of shares      %		
	1.Prameya World Wide Pte Ltd                      2425938    79.51    Nil    Nil		
	2.Kepler Information Systems Ltd                      625000    20.49    Nil    Nil		
	<b>Reconciliation of Shares</b>	<b>2015-16</b>	<b>2014-15</b>
	Opening Shares                      ---                      ---		
	Add: Shares Issued during                      3,050,938                      ---		
	Closing Equity Shares                      3,050,938                      ---		
		<b>205,971,050</b>	<b>175,461,670</b>
	<b><u>Details of Shares Issued for Consideration Other than Cash:-</u></b>		
	91,00,000 Equity 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>205,971,050</b>	<b>175,461,670</b>

Rights, Preferences and Restrictions attached to Shares

**Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

**0.001% Compulsorily Convertible Preference Shares of Rs. 10 each**

30,50,938 0.001% Compulsorily Convertible Preference Shares (CCPS) are convertible into equity shares within eighteen months from the date of issue. Each outstanding CCPS will be converted into equity share of Rs.10/- each.

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

<b>Note : 3 Reserves &amp; Surplus</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	<b>Securities Premium</b>		
	Opening balance	63,825,339	63,825,339
	Add : Premium on issue of Preference Shares during the year	67,120,636	-
		<b>130,945,975</b>	<b>63,825,339</b>
	<b>General Reserve</b>		
	Balance as per last Balance Sheet	5,000,000	5,000,000
	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Balance at the beginning of the year	21,594,840	19,392,918
	Add: Profit / (Loss) for the year	17,708,992	5,605,784
	Less: Depreciation Adjustment	-	3,403,863
		<b>39,303,832</b>	<b>21,594,840</b>
	<b>Total</b>	<b>175,249,807</b>	<b>90,420,179</b>

<b>Note : 4 Long Term Borrowings</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	<b>Secured Loans</b>		
	- From a Bank		
	Vehicle Loans	6,278,978	3,258,959
	Less: Current Maturities of Long term Debt(#)	(2,615,314)	(1,034,474)
		<b>3,663,664</b>	<b>2,224,485</b>
	- From Others		
	Vehicle Loans	262,863	847,249
	Less: Current Maturities of Long term Debt(#)	(262,863)	(584,381)
		<b>-</b>	<b>262,868</b>
	<b>Total Secured Loans</b>	<b>3,663,664</b>	<b>2,487,353</b>
	<b>Unsecured Loans</b>		
	- From Others	19,975,001	19,975,001
	<b>Total Unsecured Loans</b>	<b>19,975,001</b>	<b>19,975,001</b>
	<b>Total</b>	<b>23,638,665</b>	<b>22,462,354</b>

**Notes:****Secured Loans****Loan From Banks and Others**

- 1 Secured by the hypothecation of vehicles
- 2 Loan amount is repayable within 5 years

<b>Note : 5 Long Term Provisions</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	<b>Provision for Employee Benefit</b>		
	Gratuity	3,495,466	4,638,645
	Compensated Absences	94,230	77,736
	<b>Total</b>	<b>3,589,696</b>	<b>4,716,381</b>

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

<b>Note : 6 Short Term Borrowings</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	<b>Secured Loans - Refer Note</b>		
	Cash credit facility from a Bank	73,833,573	78,900,014
	<b>Unsecured</b>		
	Loan from a Bank	-	11,897,928
	Loan from a Related Party	8,750,000	-
	<b>Total</b>	<b>82,583,573</b>	<b>90,797,942</b>

**Note**

1. Secured by hypothecation of Bookdebts, lien on fixed deposits and
2. Personal guarantees of Directors of the Company and collateral security of land owned by Director of the company.

<b>Note : 7 Trade Payables</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Trade Payables other than Acceptances:		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	42,667,330	33,604,959
	<b>Total</b>	<b>42,667,330</b>	<b>33,604,959</b>

<b>Note : 8 Other Current Liabilities</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Current Maturities of Long Term Debt (#)	2,878,177	1,618,855
	Advance From Customers	10,592,134	3,944,247
	Others	13,786,088	1,208,293
	Statutory Liabilities	53,387,645	70,280,350
	Provision for Interest on Statutory Liabilities	29,362,763	19,432,045
	Book Overdraft	-	3,968,691
	Payable to Employees	7,873,049	8,446,827
	<b>Total</b>	<b>117,879,856</b>	<b>108,899,308</b>

<b>Note : 9 Short Term Provisions</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Gratuity	170,876	199,605
	Compensated Absences	2,632,274	3,288,713
	<b>Total</b>	<b>2,803,150</b>	<b>3,488,318</b>

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

<b>Note : 11 Non Current Investment</b>		<b>Amount in Rs.</b>			
	<b>Particulars</b>		<b>As At 31st March, 2016</b>		<b>As At 31st March, 2015</b>
	<b>Investment in Equity Instruments</b>				
	<u>Trade</u>				
	<u>Unquoted</u>				
	<u>Investment in Subsidiary</u>				
	Bodhtree Human Capital Private Limited 10,000 Equity Shares of Rs.10 each		100,000		-
	<u>Investments in Associates</u>				
	Learnsmart India Private Limited 505,000 Equity shares of Rs.10 each		5,050,000		5,050,000
	Pressmart Media Limited 5,257,924 Equity shares of Rs.10 each		67,199,710		67,199,710
	<u>Others</u>				
	Many Futures Inc 497,669 Equity Shares @ US \$ 1 each	2,269,868		2,269,868	
	Less: Provision for Diminution in Value	2,247,169	22,699	2,247,169	22,699
	<u>Quoted</u>				
	Hypersoft Technologies Limited 100,000 Equity Shares of Rs.10 each	1,500,000		1,500,000	
	Less: Provision for Diminution in Value	1,485,000	15,000	1,485,000	15,000
	<b>Total</b>		<b>72,387,409</b>		<b>72,287,409</b>

**Note:**

	As At	As At
	31st March, 2016	31st March, 2015
Aggregate amount of Unquoted Investments (Net of Provision)	72,372,409	72,272,409
Aggregate amount of quoted Investments (Net of Provision) (Market Value Rs.9,45,000) (P.Y. Rs.Nil)	15,000	15,000

<b>Note : 12 Deferred Tax Asset / (Liabilities)</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	On account of difference between depreciation as per books and Income Tax	306,450	84,729
	On account of timing differences	12,411,044	7,744,909
	<b>Total</b>	<b>12,717,494</b>	<b>7,829,638</b>

<b>Note : 13 Long Term Loans and Advances (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Security Deposits	15,148,467	13,393,467
	Advance Tax (Net )	32,333,089	37,659,720
	Mat Credit Entitlement	2,736,236	-
	<b>Total</b>	<b>50,217,792</b>	<b>51,053,187</b>

<b>Note : 14 Trade Receivables (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Outstanding for more than six months from the date they become due	127,584,018	48,364,591
	Others	116,735,334	162,974,395
	<b>Total</b>	<b>244,319,352</b>	<b>211,338,986</b>

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2016**

<b>Note : 15 Cash &amp; Cash Equivalent</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Cash on Hand	518	11,966
	Balances with Banks		
	-In Current Accounts with Banks	157,496	63,146
	- EEFC Account	-	2,489
	<b>Sub Total (A)</b>	<b>158,014</b>	<b>77,601</b>
	<b>Other Bank Balances</b>		
	In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee	22,217,088	32,413,485
	<b>Sub Total (B)</b>	<b>22,217,088</b>	<b>32,413,485</b>
	<b>Total [ A + B ]</b>	<b>22,375,102</b>	<b>32,491,086</b>

<b>Note :16 Short Terms Loans and Advances (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Advances to related parties	33,988,643	34,242,169
	Advance to Suppliers	4,017,088	9,091,362
	Deposits	12,091,596	7,907,696
	Advances to employees	1,852,576	2,649,815
	Balances with Government Authorities	-	121,407
	Prepaid Expenses	330,684	744,191
	Others	3,727,492	3,727,492
	<b>Total</b>	<b>56,008,080</b>	<b>58,484,132</b>

<b>Note : 17 Other Current Assets</b>		<b>Amount in Rs.</b>	
	<b>Particulars</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2015</b>
	Unbilled Revenue	52,164,060	53,936,958
	Interest Accrued on Fixed Deposits	963,728	1,676,507
	<b>Total</b>	<b>53,127,788</b>	<b>55,613,465</b>

**Notes Forming Integral Part of the Statement of Profit And Loss for the year ended 31st March, 2016**

<b>Note : 18 Revenue from Operations</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	<b>Export Sales</b>		
	Projects - Consultancy Services	220,175,671	146,481,519
	Projects - Off Shore	54,752,624	120,153,768
	Referral Fees	723,753	2,599,223
		<b>275,652,048</b>	<b>269,234,510</b>
	<b>Domestic Sales</b>		
	Consultancy Services	5,662,762	2,256,856
	Projects - Offsite	7,913,404	23,782,381
	Projects - Onsite Consultancy Services	160,485,326	122,886,974
	Sale of Licences & Others	12,423,640	10,053,580
		<b>186,485,132</b>	<b>158,979,791</b>
	<b>Total</b>	<b>462,137,180</b>	<b>428,214,301</b>

**Notes Forming Integral Part of the Statement of Profit And Loss for the year ended 31st March, 2016**

<b>Note : 19 Other Income</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	Exchange Fluctuation Gain (Net of Loss)	8,247,969	-
	Interest on Bank FD	3,016,683	2,024,896
	Misc. Income	45,046	2,052,651
	Liabilities no Longer to be paid Written Back	196,533	-
	Interest on IT Refund	3,565,302	1,646,124
	<b>Total</b>	<b>15,071,533</b>	<b>5,723,671</b>

<b>Note : 20 Work Execution Expenses</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	Cost of SF / CRM Licenses / Others - (Resale / Own Use)	30,273,928	29,582,976
	Software - Technical Fee	147,951,839	61,014,744
	<b>Total</b>	<b>178,225,767</b>	<b>90,597,720</b>

<b>Note : 21 Employee Benefit Expenses</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	Salaries and Allowances	162,228,125	203,652,333
	Directors Remuneration	3,000,000	731,196
	Contribution to Provident Fund & others	9,797,109	15,935,231
	Staff Welfare	2,310,434	3,842,760
	<b>Total</b>	<b>177,335,668</b>	<b>224,161,520</b>

<b>Note :22 Finance Costs</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	Interest on Unsecured Loans	3,236,680	776,568
	Interest on Vehicle Loans	723,625	566,359
	Interest on Working Capital Loan	9,382,899	6,226,894
	Bank & Other Finance Charges	1,553,204	1,032,046
	<b>Total</b>	<b>14,896,408</b>	<b>8,601,867</b>

<b>Note : 23 Other Expenses</b>		<b>Amount in Rs.</b>	
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>	<b>Year Ended 31-03-2015</b>
	Director's Sitting Fee	177,000	180,000
	Insurance	1,840,877	1,742,748
	Printing & Stationery	223,755	225,457
	Rent, Rates & Taxes	14,546,062	17,856,407
	Communication Expenses	3,251,799	3,993,758
	Travelling Expenses	15,758,837	16,845,667
	Business Promotion	388,607	488,988
	Electricity & Water Charges	4,945,569	5,252,540
	Professional & Consultancy Charges	18,781,661	15,331,559
	Remuneration to Auditors	595,000	550,000
	Recruitment & Training Expenses	1,072,575	1,358,757
	Repairs & Maintenance	6,404,944	15,641,455
	Trade Receivables and Loans and advances written off	738,859	14,380
	Prior Period Expenses	1,234,034	-
	Foreign Exchange Variation Loss - Net	-	491,775
	Interest on Delayed Payment of Statutory Dues	9,930,718	7,956,307
	Miscellaneous Expenses	1,329,497	1,179,914
	<b>Total</b>	<b>81,219,794</b>	<b>89,109,712</b>

Notes Forming Integral Part of the Balance Sheet for the year ended 31st March, 2016

**Note 10**

**Fixed Assets:**

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block	
		As At 1st April 2015	Additions	Deletions/Adjustments	As at 31st March, 2016	As At 1st April 2015	For the Year	Deletions/Adjustments	As at 31st March, 2016	As At Mar 2016	As At Mar 2015
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1) Tangible Assets</b>											
1	Computer - Hardware	40,700,675	5,806,860	-	46,507,535	34,275,495	3,832,318	-	38,107,813	8,399,722	6,425,180
2	AC's/UPS/Stabilisers	6,140,792	3,309,600	-	9,450,392	1,176,293	1,867,249	-	3,043,541	6,406,851	4,964,499
3	Electrical Items	4,080,861	-	-	4,080,861	484,409	399,422	-	883,830	3,197,031	3,596,452
4	Office Equipment	3,923,685	696,638	-	4,620,323	2,184,037	698,521	-	2,882,558	1,737,765	1,739,648
5	Audio & Video Systems	197,000	-	-	197,000	156,639	22,979	-	179,617	17,383	40,361
6	Furniture & Fixtures	15,471,732	705,000	-	16,176,732	3,561,989	1,735,986	-	5,297,975	10,878,757	11,909,743
7	Vehicles	16,990,483	7,393,755	-	24,384,238	6,877,955	3,137,549	-	10,015,504	14,368,734	10,112,528
	<b>Total</b>	<b>87,505,228</b>	<b>17,911,853</b>	<b>-</b>	<b>105,417,081</b>	<b>48,716,817</b>	<b>11,694,023</b>	<b>-</b>	<b>60,410,839</b>	<b>45,006,242</b>	<b>38,788,411</b>
<b>(2) Intangible Assets</b>											
1	Computer - Software	15,758,073	-	-	15,758,073	13,793,276	1,015,917	-	14,809,193	948,880	1,964,797
	<b>Total</b>	<b>15,758,073</b>	<b>-</b>	<b>-</b>	<b>15,758,073</b>	<b>13,793,276</b>	<b>1,015,917</b>	<b>-</b>	<b>14,809,193</b>	<b>948,880</b>	<b>1,964,797</b>
	<b>Grand Total</b>	<b>103,263,301</b>	<b>17,911,853</b>	<b>-</b>	<b>121,175,154</b>	<b>62,510,093</b>	<b>12,709,940</b>	<b>-</b>	<b>75,220,033</b>	<b>45,955,121</b>	<b>40,753,208</b>
	<b>Previous Year</b>	<b>95,049,147</b>	<b>11,644,847</b>	<b>3,430,693</b>	<b>103,263,301</b>	<b>44,694,914</b>	<b>18,716,729</b>	<b>901,550</b>	<b>62,510,093</b>	<b>40,753,208</b>	<b>50,354,234</b>
<b>(3) Intangible Assets under Development</b>											
			<b>97,274,988</b>		<b>97,274,988</b>						

**Note:**

- Depreciation for the year includes an amount of NIL (P.Y. RS.34,03,863 ) pertaining to the life of assets prescribed in Schedule II of Companies Act, 2013, which have expired at the beginning of the year and the said amount has been adjusted against the balance in Statement of Profit and Loss at the beginning of the Year
- Intangible Assets under Development represents the cost incurred by the company on development of software which will be capitalised on completion thereof.

**Notes attached to and forming part of Financial Statements for the year ended March 31, 2016**
**Note: 24**
**Earnings per Share:**

The following is computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Earnings for calculating the Earnings per share (Rs.)	17,708,992	5,605,784
Earnings for calculating Diluted Earnings per share (Rs.)	17,708,992	5,605,784
Weighted average number of equity shares ( For Basic EPS)	17,546,167	17,546,167
Weighted average number of equity shares ( For Diluted EPS)	18,854,903	17,546,167
Basic Earning per share	1.01	0.32
Diluted Earning per share	0.94	0.32

**Note: 25**

Balances of Trade Receivables, Trade Payables, Loans & Advances are subject to confirmation and reconciliations, if any.

**Note: 26**

The Company is engaged in only one Business Segment i.e. Software and related products. The geographical break up of sales for the period (Gross) - Inland

Rs.18,64,85,132/- and export Rs. 27,56,52,048/- (Inland P.Y. 15,89,79,791/- and export Rs.26,92,34,510/-).

**Note: 27**
**Contingent Liabilities**

Particulars	As at 31-03-2016	As at 31-03-2015
	Rs.	Rs.
Bank Guarantees	3,367,120	3,565,000
Dividend on 0.001% of Cumulative Convertible Redeemable Preference shares	131	-
<b>Total</b>	<b>3,367,120</b>	<b>3,565,000</b>

**Note: 28**
**Earnings in Foreign Exchange**

Particulars	For the year ended 31-03- 2016	For the year ended 31-03-2015
	Rs.	Rs.
FOB Value of Exports (Services)	275,652,048	269,234,510
<b>Total</b>	<b>275,652,048</b>	<b>269,234,510</b>

**Note: 29**
**Expenditure in Foreign Exchange**

Particulars	For the year ended 31-03- 2016	For the year ended 31-03-2015
	Rs.	Rs.
Purchase of Licences	7,549,720	8,064,477
Travelling , Conveyance & Other Expenditure	9,629,367	11,668,692
<b>Total</b>	<b>17,179,087</b>	<b>19,733,169</b>

## Notes Forming Integral Part of the Financial Statement for the year ended 31st March, 2016

### Note: 30

#### Unhedged Foreign Currency Exposure

Particulars	Foreign Currency	As at 31-03-2016	As at 31-03-2015
Trade Receivables	USD	1,854,474	2,175,786
	(In Rs.)	122,246,954	135,377,410
	SGD	41,743	39,907
	(In Rs.)	2,030,796	1,799,415
	EURO	3,910	3,707
	(In Rs.)	289,962	247,986
Advances from Trade Receivables	USD	86,494	1,000
	(In Rs.)	5,701,696	62,220
Trade Payables	USD	39,883	-
	(In Rs.)	2,629,087	-

### Note: 31

#### Payments to Auditors

Particulars	2015-16	2014-15
Statutory Audit Fee	350,000	300,000
Tax Audit Fee	200,000	250,000
Audit Fee for Consolidation of Accounts	25,000	-
Certification Fee	20,000	-
<b>Total</b>	<b>595,000</b>	<b>550,000</b>

(Net of Service Tax)

### Note: 32

#### Employee Benefits

##### (i) Defined benefit plans

The Company provides for gratuity, a defined benefit plan to its employees. The gratuity plan provides a lump sum payment to eligible employees at retirement or termination of employment based on the respective employees last drawn salary and years of employment with the Company.

	As at 31 March	
	2016	2015
<b>Projected benefit obligation at the beginning of the year</b>	<b>4,838,250</b>	<b>4,042,792</b>
Current service cost	451,086	601,702
Interest Cost	387,060	323,423
Actuarial loss / (gain)	230,534	846,235
Benefits paid	(2,240,588)	(975,902)
<b>Projected benefit obligation at the end of the year</b>	<b>3,666,342</b>	<b>4,838,250</b>
<b>Amounts recognized in the balance sheet</b>		
Projected benefit obligation at the end of the period	3,666,342	4,838,250
<b>Liability recognized in the balance sheet</b>	<b>3,666,342</b>	<b>4,838,250</b>
<b>Cost for the period</b>		
Current service cost	451,086	601,702
Interest cost	387,060	323,423
Expected return on plan assets	-	-
Net actuarial loss recognized in the period	230,534	846,235
<b>Net cost recognized in the statement of profit and loss*</b>	<b>1,068,680</b>	<b>1,771,360</b>
<b>Assumptions</b>		
Discount rate	8.00%	8.00%
Expected rate of salary increases	5.00%	8.00%
Employee attrition rate	7.55%	8.00%

- (ii) In respect of Defined contribution plan (Provident Fund), an amount of ₹7,694,433 (31 March 2015: ₹10,004,891) has been recognised in the Statement of Profit and Loss.

### Note: 33

The Company has made provision for tax on the basis of provision u/s 115JB of the Income Tax Act, 1961. The same is taken in books as it can be adjusted against the normal tax liability during the specified period. In accordance with the guidance note issued by ICAI, the company will review the same at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

### Note: 34

The Company has taken various premises under cancellable operating lease agreements. Company intends to renew such leases in the normal course of business. Total rental expenses under cancellable operating leases amounted to Rs. 12,292,454 (previous year: Rs. 17,271,731). The same are grouped under Rent in other expenses in the Statement of Profit and Loss. The Company has no non-cancellable operating leases during the year ended 31 March 2016.

**Notes Forming Integral Part of the Financial Statement for the year ended 31st March, 2016**

**Note: 35**

**Related Party Disclosures**

Holding Company	: Bodhtree Solutions Inc
Subsidiary Company	: Bodhtree Human Capital Pvt Limited
Fellow Subsidiaries	: Bodhtree Solutions Pte Limited Bodhtree Consulting Pte Limited
Associate Company	: Pressmart Media Limited Learnsmart (India) Private Limited
Key Management Personnel	Mr. L.N.Ramakrishna, Managing Director (Wef 24-01-2015) : Mr. Pal Natarajan, Managing Director (Upto 24-01-2015)
Enterprises controlled or significantly influenced by individual / relatives:	: Kepler Information Systems Pvt Ltd Sreeven Infocom Ltd

**Transactions with Related Parties**

Particulars	2015-16	2014-15
	Rs.	Rs.
<b>Sales/Rendering Services</b>		
- Bodhtree Solutions Inc	137,220,887	137,101,450
- Bodhtree Consulting PTE Ltd.	-	3,336,100
- Bodhtree Solutions PTE Ltd.	49,150	10,788,300
<b>Purchases/Availing Services</b>		
- Kepler Information Systems Pvt Ltd	5,241,948	-
- Sreeven Infocom Ltd	3,103,846	-
<b>Managerial Remuneration</b>		
- Pal Natarajan - Managing Director (upto 24-01-2015)	-	166,680
- L.N. Ramakrishna - Managing Director (wef 24-01-2015)	3,000,000	564,516
- K. Prabhakar Rao (wef 14-02-2015)	1,211,404	119,594
<b>Reimbursement of Expenses</b>		
- Bodhtree Solutions Inc	1,749,736	11,161,465
<b>Balances outstanding at the end of the year</b>		
<b>Debit Balances</b>		
- Bodhtree Solutions Inc	25,778,150	23,578,935
- Bodhtree Solutions PTE Ltd.	1,990,465	1,799,415
- Learnsmart (India) Private Limited	35,862,765	35,862,765
- Pressmart Media Limited	22,142	22,142
<b>Credit Balances</b>		
- L.N. Ramakrishna - Loan to company	8,750,000	-
<b>Investments</b>	<b>72,249,710</b>	<b>72,249,710</b>
- Pressmart Media Limited	67,199,710	67,199,710
- Learnsmart (India) Private Limited	5,050,000	5,050,000

**Note: 36**

Previous year figures have been regrouped / re arranged / re-classified wherever considered necessary to conform to the classification of the current year.

As per our attached report of even date

**For Nisar & Kumar**  
**Chartered Accountants**  
Firm Reg. No: 127820W

Sd/-  
**T.N.V.Visweswara Rao**  
**Partner**  
**M.No. 204084**

**For Bodhtree Consulting Limited**  
CIN: L74140TG1982PLC040516

Sd/-  
**L. N.Ramakrishna**  
**Managing Director**  
DIN: 03623543

Sd/-  
**K.Prabhakar Rao**  
**Chief Financial Officer**

Sd/-  
**K. Rajesh**  
**Director**  
DIN: 02727491

Sd/-  
**K.Srikanth Reddy**  
**Company Secretary**

Place: Hyderabad  
Date: 30-05-2016

Place: Hyderabad  
Date: 30-05-2016

**ANNEXURE - IA****Report on Operational Performance of Subsidiary Companies/Joint Ventures/ Associates****Companies of the Company**

(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

**Part – A: Subsidiaries**

1	Name of the subsidiary	Bodhtree Human Capital Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	07 March 2016 to 31 March 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	10,000 Equity Shares of Rs 10/- each Rs 1,00,000/-
5	Reserves & surplus	--
6	Total assets	--
7	Total Liabilities	--
8	Investments	--
9	Turnover	--
10	Profit before taxation	--
11	Provision for taxation	--
12	Profit after taxation	--
13	Proposed Dividend	--
14	% of shareholding	100

1. Incorporated during the year: M/s. Bodhtree Human Capital Private Limited.
2. Names of subsidiaries which are yet to commence operations: M/s. Bodhtree Human Capital Private Limited.

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

1	Names of Associates and Joint Ventures	M/s. Learnsmart (India) Private Limited	M/s. Pressmart Media Private Limited
2	Latest Audited Balance Sheet*	--	--
3	Shares of Associates held by the Company on the year end: Number of Shares of Rs. 10/- each. Amount of Investment Extent of Holding %	505000 5050000 22.62%	5257924 67199710 (includes premium) 32.99%
4	Description of how there is significant influence*	--	--
5	Reason why the Associates are not consolidated	During the Financial Year 2015-16, for the first time the consolidation of Financial	

		Account are applicable to the company. The Company is holding investments as aforesaid are termed as Associate Companies. The financial statements for these Companies for the financial year 2015-16 are not made available, hence the consolidation of these Companies are not considered while preparing the consolidated financial statements.	
6	Net worth attributable to shareholding as per latest audited Balance Sheet*	--	--
7	Profit / Loss for the year* i. considered in Consolidation ii. Not considered in Consolidation	--	--

\* Though the Company holds more than 20% of total share capital as aforesaid of two Companies there is no Significant Influence shown by the Company on affairs of those Companies. There were no significant transactions with those Companies during the period under review. Management of the Company is different from that of those two Companies. During the Financial Year 2015-16, for the first time the Consolidation of Financial Account are applicable to the Company. The Company is holding investments as aforesaid are termed as Associate companies. The financial statements for these Companies for the financial year 2015-16 are not made available by those Companies, hence the consolidation of these Companies are not considered while preparing the consolidated financial statements.

**For Nisar & Kumar**  
**Chartered Accountants**  
**Firm Reg. No: 127820W**

**For and on behalf of the Board**

Sd/-  
**T.N.V.Visweswara Rao**  
**Partner**  
**M.No. 204084**

Sd/-  
**L N Ramakrishna**  
**Managing Director**

Sd/-  
**K Rajesh**  
**Director**

**Place: Hyderabad**  
**Date: 30 May, 2016**

Sd/-  
**Prabhakar Rao Kallur**  
**Chief Financial Officer**

Sd/-  
**Srikanth Reddy Kolli**  
**Company Secretary**

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**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO THE MEMBERS OF BODHTREE CONSULTING LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **BODHTREE CONSULTING LIMITED** ("the Holding Company") and its subsidiary (collectively referred to as the "Company" or "the Group"), comprising the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'the consolidated financial statements').

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, 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 audit opinion on the consolidated financial statements.

**Basis for Qualified Opinion**

The company has a strategic long term investments in Equity Shares of certain companies, the cost of acquisition of those investments is Rs.722.50 lacs. Based on the Latest Audited Financial Statements of those companies made available to us the breakup value of those investments works out to Rs.125.82 lacs. Accordingly, the decline in value i.e. Rs. 596.68 lacs, being the difference between cost of acquisition and the breakup value, which in our view is of other than of temporary nature, is not provided for in the Statement of Profit and Loss. Had the Holding company considered the diminution in value of investments the profit for the year would have been lower by the said amount.

Further the company has given advance of Rs.339 lacs and Rs.310 lacs receivable on account of services rendered by the company, which in our view are doubtful of recovery against which the company has not made any provision. Had the company considered the provision for the aforesaid amounts the profit for the year would have been lower by the said amount.

**During the Financial Year 2015-16, for the first time the consolidation of Financial Account are applicable to the company. The company is holding investments as aforesaid are termed as Associate companies. The financial statements for these companies for the financial year 2015-16 are not made available, hence the consolidation of these companies are not considered while preparing the consolidated financial statements.**

**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 above, the aforesaid Consolidated 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2016 from being appointed as a director of that company in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in 'Annexure'; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group does not have any pending litigations which would impact its financial position.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding and Subsidiary Company.

**For Nisar & Kumar**

Chartered Accountants  
(Firm Registration No. 127820 W)

Sd/-

**T.N.V.Visweswara Rao**

Partner  
(Membership No. 204084)

Place: Hyderabad

Date: 30 May, 2016

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**ANNEXURE to the Auditor's Report**

Report on the Internal Financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BODHTREE CONSULTING LIMITED** ("the Holding Company") and its Subsidiary Company which is incorporated in India as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

**Management's Responsibility for Internal Financial**

The management of Holding Company and its Subsidiary Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its Subsidiary company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Nisar & Kumar**

Chartered Accountants

(Firm Registration No. 127820 W)

Sd/-

**T.N.V.Visweswara Rao**

Partner

(Membership No. 204084)

Place: Hyderabad

Date: 30 May, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016**

		Amount in Rs.
Particulars	Note No.	As At 31st March, 2016
<b>I. EQUITY AND LIABILITIES:-</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	2	205,971,050
(b) Reserves and Surplus	3	175,198,512
		<b>381,169,562</b>
<b>(2) Non-Current Liabilities</b>		
(a) Long-Term Borrowings	4	23,638,665
(c) Long Term Provisions	5	3,589,696
		<b>27,228,361</b>
<b>(3) Current Liabilities</b>		
(a) Short-Term Borrowings	6	82,583,573
(b) Trade Payables	7	42,708,625
(c) Other Current Liabilities	8	117,879,856
(d) Short-Term Provisions	9	2,803,150
		<b>245,975,204</b>
<b>Total Equity &amp; Liabilities</b>		<b>654,373,127</b>
<b>II. ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed Assets	10	
(i) Tangible Assets		45,006,242
(ii) Intangible Assets		948,880
(ii) Intangible Asset Under Development		97,274,988
		<b>143,230,110</b>
(b) Non-Current investments	11	72,287,409
(b) Deferred Tax Asset	12	12,717,494
(c) Long term Loans and Advances	13	50,217,792
		<b>278,452,805</b>
<b>(2) Current Assets</b>		
(a) Trade receivables	14	244,319,352
(b) Cash and cash equivalents	15	22,475,102
(c) Short-term loans and advances	16	55,998,080
(d) Other Current Assets	17	53,127,788
		<b>375,920,322</b>
<b>Total Assets</b>		<b>654,373,127</b>
<b>Significant Accounting Policies</b>	1.3	

The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Financial Statements.

As per our attached report of even date

**For Nisar & Kumar**  
**Chartered Accountants**  
 Firm Reg. No: 127820W

Sd/-  
**T.N.V. Visweswara Rao**  
**Partner**  
**M.No. 204084**

**For Bodhtree Consulting Limited**  
 CIN: L74140TG1982PLC040516

Sd/-  
**L. N. Ramakrishna**  
**Managing Director**  
 DIN: 03623543

Sd/-  
**K. Prabhakar Rao**  
**Chief Financial Officer**

Sd/-  
**K. Rajesh**  
**Director**  
 DIN: 02727491

Sd/-  
**K. Srikanth Reddy**  
**Company Secretary**

Place: Hyderabad  
 Date: 30-05-2016

Place: Hyderabad  
 Date: 30-05-2016

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

	Particulars	Note No.	Amount in Rs. Year Ended 31st March, 2016
	Revenue from operations	18	462,137,180
	Other Income	19	15,071,533
	<b>Total Revenue - (A)</b>		<b>477,208,713</b>
	<b>Expenses:</b>		
	Work Execution expenses	20	178,225,767
	Employee Benefits Expense	21	177,335,668
	Finance Costs	22	14,896,408
	Depreciation and Amortization Expense	10	12,709,940
	Other Expenses	23	81,271,089
	<b>Total Expenses - (B)</b>		<b>464,438,872</b>
	<b>Profit before exceptional and extraordinary items and tax - (A) -(B)</b>		<b>12,769,841</b>
	<b>Profit Before Tax</b>		<b>12,769,841</b>
	<b>Tax expense:</b>		
	(a) Current Tax		2,736,236
	(Less):- Mat Credit		(2,736,236)
	(b) Deferred Tax - Liability / (Asset)		(4,887,855)
	<b>Profit/(Loss) for the Year</b>		<b>17,657,697</b>
	Earning per equity share:		
	(a) Basic	24	1.01
	(b) Diluted		0.94
	Significant Accounting Policies	1.3	

The Notes referred to above and Statement on Significant Accounting Policies form an integral part of the Financial Statements.

As per our attached report of even date

For Nisar & Kumar  
Chartered Accountants  
Firm Reg. No: 127820W

Sd/-  
T.N.V.Visweswara Rao  
Partner  
M.No. 204084

Place: Hyderabad  
Date: 30-05-2016

For Bodhtree Consulting Limited  
CIN: L74140TG1982PLC040516

Sd/-  
L. N.Ramakrishna  
Managing Director  
DIN: 03623543

Sd/-  
K.Prabhakar Rao  
Chief Financial Officer

Place: Hyderabad  
Date: 30-05-2016

Sd/-  
K. Rajesh  
Director  
DIN: 02727491

Sd/-  
K.Srikanth Reddy  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016** (Amount in Rs.)

PARTICULARS		2015-16
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Taxation		12,769,841
<b>Adjustment for:</b>		
Depreciation	12,709,940	
Finance Costs	14,896,408	
Interest received	(3,016,683)	
Provision for Gratuity	1,068,680	
Provision for Leave Encashment	731,936	
Trade Payables no longer Required to be Paid	(24,625)	
Payment to Employees no longer Required to be Paid	(155,973)	
Advances from Customers no longer Required to be Paid	(15,935)	
Unrealised exchange loss /(profit)	(3,838,303)	
Bad Debts Written off	662,862	
Loans and Advances written off	75,997	
Prior Period Items	1,234,035	
Loss/ (Profit ) on Sale of Asset	-	
		24,328,338
<b>Operating profit before working capital changes</b>		<b>37,098,180</b>
<u>Adjustment for change in Working Capital</u>		
Decrease/(Increase) in Short Term Deposits, Loans & Advances	1,566,406	
Decrease/(Increase) in Long Term Deposits, Loans & Advances	(1,755,000)	
Increase/ (Decrease) in Trade Payables	9,128,291	
Increase/ (Decrease) in Current Liabilities	7,893,133	
Decrease/(Increase) in Trade Receivables	(29,804,924)	
Decrease/(Increase) in Other Current Assets	1,772,898	
Gratuity Paid	(2,240,588)	
Leave Encashment Paid	(1,371,881)	
		(14,811,665)
<b>Cash Generated from Operations</b>		<b>22,286,515</b>
<b>Less:</b>		
Aggregate Direct Taxes paid/(Refund)	(2,590,395)	
		(2,590,395)
<b>Net Cash from Operating Activities</b>		<b>24,876,910</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(17,911,855)	
Product Development Cost	(97,274,988)	
Interest Received on Fixed Deposit	3,339,076	
		(111,847,767)
<b>Net Cash used in Investing Activities</b>		<b>(111,847,767)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share Capital Including Share Premium	97,630,016	
Proceeds from Long term loans	5,440,000	
Repayment of Long term loans	(3,004,366)	
Repayment of Short Term Borrowings	(8,214,370)	
Proceeds from Short Term Borrowings		
Finance Charges	(14,896,408)	
		76,954,873
<b>Net cash generated through financing activities</b>		<b>76,954,873</b>
<b>Net Increase/(Decrease) in Cash and equivalents (A+B+C)</b>		<b>(10,015,984)</b>
Cash & Cash Equivalents at the Beginning of the Year		<b>32,491,086</b>
Cash & Cash Equivalents at the End of the Year		<b>22,475,102</b>
<b>Note:-</b>		
(i). The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 'Cash Flow Statements'.		
(ii). Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:		

	2015-16
Cash on hand and balances with banks	
Cash and cash equivalent as per cash flow statement	258,014
Add: In Deposit a/c - Held as Margin Money	22,217,088
<b>Cash and cash equivalent as per balance sheet</b>	<b>22,475,102</b>
<i>As per our attached report of even date</i>	
<div> <div> <p><b>For Nisar &amp; Kumar</b>  <b>Chartered Accountants</b>  Firm Reg. No: 127820W</p> <p>Sd/-  <b>T.N.V.Visweswara Rao</b>  <b>Partner</b>  <b>M.No. 204084</b></p> <p>Place: Hyderabad  Date: 30-05-2016</p> </div> <div> <p><b>For Bodhtree Consulting Limited</b>  CIN: L74140TG1982PLC040516</p> <p>Sd/-  <b>L. N.Ramakrishna</b>  <b>Managing Director</b>  DIN: 03623543</p> <p>Sd/-  <b>K.Prabhakar Rao</b>  <b>Chief Financial Officer</b></p> <p>Place: Hyderabad  Date: 30-05-2016</p> </div> <div> <p>Sd/-  <b>K. Rajesh</b>  <b>Director</b>  DIN: 02727491</p> <p>Sd/-  <b>K.Srikanth Reddy</b>  <b>Company Secretary</b></p> </div> </div>	

**Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016**

Note : 2 Share Capital					Amount in Rs.
	Particulars				As At 31st March, 2016
	<b><u>AUTHORIZED CAPITAL</u></b>				
	3,10,00,000 Equity Shares of Rs. 10/- each				310,000,000
	60,00,000 Preference Shares of Rs. 10/- each				60,000,000
					370,000,000
	<b><u>ISSUED , SUBSCRIBED &amp; FULLY PAID UP CAPITAL</u></b>				
	1,75,46,167 Equity Shares of Rs. 10/- each with Voting Rights				175,461,670
	30,50,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each				30,509,380
	<b><u>Equity Shares of Rs.10/- each:</u></b>				
	<b>Shares held by Holding Company</b>				
	Name of Company	2015-16 No.of shares	%	2014-15 No.of shares	%
	Bodhtree Solutions Inc	90,00,000	51.29	9,000,000	51.29
	<b>Shareholders having more than 5% of the shares</b>				
	Name of Shareholder	2015-16 No.of shares	%	2014-15 No.of shares	%
	1.Bodhtree Solutions Inc	9,000,000	51.29	90,00,000	51.29
	2.Sanjiv Gupta	2134500	12.17	Nil	Nil
	3.Rajiv Gupta	Nil	Nil	1,268,400	7.23
	<b>Reconciliation of Shares</b>				
	<b>2015-16</b>		<b>2014-15</b>		
Opening Equity Shares	17,546,167		17,546,167		
Add: Shares Issued during the year with Pari Passu rights	---		---		
Closing Equity Shares	17,546,167		17,546,167		
<b><u>0.001% Compulsorily Convertible Preference Shares of Rs. 10 each</u></b>					
<b>Shareholders having more than 5% of the shares</b>					
Name of Shareholder	2015-16 No.of shares	%	2014-15 No.of shares	%	
1.Prameya World Wide Pte Ltd	2425938	79.51	Nil	Nil	
2.Kepler Information Syatems Ltd	625000	20.49	Nil	Nil	
<b>Reconciliation of Shares</b>					
	<b>2015-16</b>		<b>2014-15</b>		
Opening Shares	---		---		
Add: Shares Issued during	3,050,938		---		
Closing Equity Shares	3,050,938		---		
				<b>205,971,050</b>	
<b><u>Details of Shares Issued for Consideration Other than Cash:-</u></b>					
91,00,000 Equity 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>205,971,050</b>	

Rights, Preferences and Restrictions attached to Shares

**Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

**0.001% Compulsorily Convertible Preference Shares of Rs. 10 each**

30,50,938 0.001% Compulsorily Convertible Preference Shares (CCPS) are convertible into equity shares within eighteen months from the date of issue . Each outstanding CCPS will be converted into equity share of Rs.10/- each.

**Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016**

<b>Note : 3 Reserves &amp; Surplus</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	<b>Securities Premium</b>	
	Opening balance	63,825,339
	Add : Premium on issue of Preference Shares during the year	67,120,636
		<b>130,945,975</b>
	<b>General Reserve</b>	
	Balance as per last Balance Sheet	5,000,000
	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>	
	Balance at the beginning of the year	21,594,840
	Add: Profit / (Loss) for the year	17,657,697
		<b>39,252,537</b>
	<b>Total</b>	<b>175,198,512</b>

<b>Note : 4 Long Term Borrowings</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	<b>Secured Loans</b>	
	<b>- From a Bank</b>	
	Vehicle Loans	6,278,978
	Less: Current Maturities of Long term Debt(#)	(2,615,314)
		<b>3,663,664</b>
	<b>- From Others</b>	
	Vehicle Loans	262,863
	Less: Current Maturities of Long term Debt(#)	(262,863)
		-
	<b>Total Secured Loans</b>	<b>3,663,664</b>
	<b>Unsecured Loans</b>	
	- From Others	19,975,001
	<b>Total Unsecured Loans</b>	<b>19,975,001</b>
	<b>Total</b>	<b>23,638,665</b>

Notes:

Secured Loans

Loan From Banks and Others

- 1 Secured by the hypothecation of vehicles
- 2 Loan amount is repayable within 5 years

**Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016**

<b>Note : 5 Long Term Provisions</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	<b>Provision for Employee Benefit</b>	
	Gratuity	3,495,466
	Compensated Absences	94,230
	<b>Total</b>	<b>3,589,696</b>

<b>Note : 6 Short Term Borrowings</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	<b>Secured Loans - Refer Note</b>	
	Cash credit facility from a Bank	73,833,573
	<b>Unsecured</b>	
	Loan from a Related Party	8,750,000
	<b>Total</b>	<b>82,583,573</b>

**Note**

1. Secured by hypothecation of Bookdebts, lien on fixed deposits and ;
2. Personal guarantees of Directors of the Company and collateral security of land owned by Director of the company.

<b>Note : 7 Trade Payables</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Trade Payables other than Acceptances:	
	Total outstanding dues of micro enterprises and small enterprises	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	42,708,625
	<b>Total</b>	<b>42,708,625</b>

<b>Note : 8 Other Current Liabilities</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Current Maturities of Long Term Debt (#)	2,878,177
	Advance From Customers	10,592,134
	Others	13,786,088
	Statutory Liabilities	53,387,645
	Provision for Interest on Statutory Liabilities	29,362,763
	Payable to Employees	7,873,049
	<b>Total</b>	<b>117,879,856</b>

<b>Note : 9 Short Term Provisions</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Gratuity	170,876
	Compensated Absences	2,632,274
	<b>Total</b>	<b>2,803,150</b>

**Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016**

<b>Note : 11 Non Current Investment</b>		<b>Amount in Rs.</b>			
	<b>Particulars</b>		<b>As At 31st March, 2016</b>		<b>As At 31st March, 2015</b>
	<b>Investment in Equity Instruments</b>				
	<u>Trade</u>				
	<u>Investments in Associates</u>				
	Learnsmart India Private Limited 505,000 Equity shares of Rs.10 each		5,050,000		5,050,000
	Pressmart Media Limited 5,257,924 Equity shares of Rs.10 each		67,199,710		67,199,710
	<u>Others</u>				
	Many Futures Inc 497,669 Equity Shares @ US \$ 1 each Less: Provision for Diminution in Value	2,269,868 2,247,169	22,699	2,269,868 2,247,169	22,699
	<u>Quoted</u>				
	Hypersoft Technologies Limited 100,000 Equity Shares of Rs.10 each Less: Provision for Diminution in Value	1,500,000 1,485,000	15,000	1,500,000 1,485,000	15,000
	<b>Total</b>		<b>72,287,409</b>		<b>72,287,409</b>

**Note:**

Aggregate amount of Unquoted Investments (Net of Provision)	As At 31st March, 2016	As At 31st March, 2015
Aggregate amount of quoted Investments (Net of Provision) (Market Value Rs.9,45,000)	72,272,409 15,000	72,272,409 15,000

<b>Note : 12 Deferred Tax Asset / (Liabilities)</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	On account of difference between depreciation as per books and Income Tax	306,450
	On account of timing differences	12,411,044
	<b>Total</b>	<b>12,717,494</b>

<b>Note : 13 Long Term Loans and Advances (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Security Deposits	15,148,467
	Advance Tax (Net )	32,333,089
	Mat Credit Entitlement	2,736,236
	<b>Total</b>	<b>50,217,792</b>

<b>Note : 14 Trade Receivables (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Outstanding for more than six months from the date they become due	127,584,018
	Others	116,735,334
	<b>Total</b>	<b>244,319,352</b>

Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016

<b>Note : 15 Cash &amp; Cash Equivalent</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Cash on Hand	518
	Balances with Banks	
	-In Current Accounts with Banks	157,496
	- EEFC Account	-
	Cheque on Hand	100,000
	<b>Sub Total (A)</b>	<b>258,014</b>
	<b>Other Bank Balances</b>	
	In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee	22,217,088
	<b>Sub Total (B)</b>	<b>22,217,088</b>
	<b>Total [ A + B ]</b>	<b>22,475,102</b>

<b>Note :16 Short Terms Loans and Advances (Unsecured Considered Good)</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Advances to related parties	33,978,643
	Advance to Suppliers	4,017,088
	Deposits	12,091,596
	Advances to employees	1,852,576
	Prepaid Expenses	330,684
	Others	3,727,492
	<b>Total</b>	<b>55,998,080</b>

<b>Note : 17 Other Current Assets</b>		<b>Amount in Rs.</b>
	<b>Particulars</b>	<b>As At 31st March, 2016</b>
	Unbilled Revenue	52,164,060
	Interest Accrued on Fixed Deposits	963,728
	<b>Total</b>	<b>53,127,788</b>

**Notes Forming Integral Part of Consolidated Profit & Loss Account as at 31st March, 2016**

<b>Note : 18 Revenue from Operations</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	<b>Export Sales</b>	
	Projects - Consultancy Services	220,175,671
	Projects - Off Shore	54,752,624
	Referral Fees	723,753
		<b>275,652,048</b>
	<b>Domestic Sales</b>	
	Consultancy Services	5,662,762
	Projects - Offsite	7,913,404
	Projects - Onsite Consultancy Services	160,485,326
	Sale of Licences & Others	12,423,640
		<b>186,485,132</b>
	<b>Total</b>	<b>462,137,180</b>

<b>Note : 19 Other Income</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	Exchange Fluctuation Gain (Net of Loss)	8,247,969
	Interest on Bank FD	3,016,683
	Misc. Income	45,046
	Liabilities no Longer to be paid Written Back	196,533
	Interest on IT Refund	3,565,302
	<b>Total</b>	<b>15,071,533</b>

<b>Note : 20 Work Execution Expenses</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	Cost of SF / CRM Licenses / Others - (Resale / Own Use)	30,273,928
	Software - Technical Fee	147,951,839
	<b>Total</b>	<b>178,225,767</b>

<b>Note : 21 Employee Benefit Expenses</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	Salaries and Allowances	162,228,125
	Directors Remuneration	3,000,000
	Contribution to Provident Fund & others	9,797,109
	Staff Welfare	2,310,434
	<b>Total</b>	<b>177,335,668</b>

<b>Note :22 Finance Costs</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	Interest on Unsecured Loans	3,236,680
	Interest on Vehicle Loans	723,625
	Interest on Working Capital Loan	9,382,899
	Bank & Other Finance Charges	1,553,204
	<b>Total</b>	<b>14,896,408</b>

**Notes Forming Integral Part of Consolidated Profit & Loss Account as at 31st March, 2016**

<b>Note : 23 Other Expenses</b>		<b>Amount in Rs.</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>Year Ended 31-03-2016</b>
	Director's Sitting Fee	177,000
	Insurance	1,840,877
	Printing & Stationery	223,755
	Rent, Rates & Taxes	14,546,062
	Communication Expenses	3,251,799
	Travelling Expenses	15,758,837
	Business Promotion	388,607
	Electricity & Water Charges	4,945,569
	Professional & Consultancy Charges	18,781,661
	Remuneration to Auditors	623,625
	Recruitment & Training Expenses	1,072,575
	Repairs & Maintenance	6,404,944
	Trade Receivables and Loans and advances written off	738,859
	Prior Period Expenses	1,234,034
	Preliminary Expenses written off	22,670
	Interest on Delayed Payment of Taxes	9,930,718
	Miscellaneous Expenses	1,329,497
	<b>Total</b>	<b>81,271,089</b>

## Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2016

Note 10

Fixed Assets:

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION				Net Block	
		As At 1st April 2015	Additions	Deletions/Adjustments	As at 31st March, 2016	As At 1st April 2015	For the Year	Deletions/Adjustments	As at 31st March, 2016	As At Mar 2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(1) Tangible Assets</b>										
1	Computer - Hardware	40,700,675	5,806,860	-	46,507,535	34,275,495	3,832,318	-	38,107,813	8,399,722
2	AC's/UPS/Stabilisers	6,140,792	3,309,600	-	9,450,392	1,176,293	1,867,249	-	3,043,541	6,406,851
3	Electrical Items	4,080,861	-	-	4,080,861	484,409	399,422	-	883,830	3,197,031
4	Office Equipment	3,923,685	696,638	-	4,620,323	2,184,037	698,521	-	2,882,558	1,737,765
5	Audio & Video Systems	197,000	-	-	197,000	156,639	22,979	-	179,617	17,383
6	Furniture & Fixtures	15,471,732	705,000	-	16,176,732	3,561,989	1,735,986	-	5,297,975	10,878,757
7	Vehicles	16,990,483	7,393,755	-	24,384,238	6,877,955	3,137,549	-	10,015,504	14,368,734
	<b>Total</b>	<b>87,505,228</b>	<b>17,911,853</b>	<b>-</b>	<b>105,417,081</b>	<b>48,716,817</b>	<b>11,694,023</b>	<b>-</b>	<b>60,410,839</b>	<b>45,006,242</b>
<b>(2) Intangible Assets</b>										
1	Computer - Software	15,758,073	-	-	15,758,073	13,793,276	1,015,917	-	14,809,193	948,880
	<b>Total</b>	<b>15,758,073</b>	<b>-</b>	<b>-</b>	<b>15,758,073</b>	<b>13,793,276</b>	<b>1,015,917</b>	<b>-</b>	<b>14,809,193</b>	<b>948,880</b>
	<b>Grand Total</b>	<b>103,263,301</b>	<b>17,911,853</b>	<b>-</b>	<b>121,175,154</b>	<b>62,510,093</b>	<b>12,709,940</b>	<b>-</b>	<b>75,220,033</b>	<b>45,955,121</b>
<b>(3) Intangible Assets under Development</b>										
			<b>97,274,988</b>		<b>97,274,988</b>					

Note:

1. Intangible Assets under Development represents the cost incurred by the company on development of software which will be capitalised on completion thereof.

**Notes Forming Integral Part of Consolidated Financial Statements as at 31st March, 2016**
**Note: 24**
**Earnings per Share:**

The following is computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	For the Year ended March 31, 2016
Earnings for calculating the Earnings per share (Rs.)	17,657,697
Earnings for calculating Diluted Earnings per share (Rs.)	17,657,697
Weighted average number of equity shares ( For Basic EPS)	17,546,167
Weighted average number of equity shares ( For Diluted EPS)	18,854,903
Basic Earning per share	1.01
Diluted Earning per share	0.94

**Note: 25**

Balances of Trade Receivables, Trade Payables, Loans & Advances are subject to confirmation and reconciliations, if any.

**Note: 26**

The Company is engaged in only one Business Segment i.e. Software and related products.

The geographical break up of sales for the period

(Gross) - Inland Rs.186,485,132/- and export Rs. 275,652,048/-.

**Note: 27**
**Contingent Liabilities**

Particulars	As at 31-03-2016
	Rs.
Bank Guarantees	3,367,120
Dividend on 0.001% of Cumulative Convertible Redeemable Preference shares	131
<b>Total</b>	<b>3,367,120</b>

**Note: 28**
**Earnings in Foreign Exchange**

Particulars	For the year ended 31-03- 2016
	Rs.
FOB Value of Exports (Services)	275,652,048
<b>Total</b>	<b>275,652,048</b>

**Note: 29**
**Expenditure in Foreign Exchange**

Particulars	For the year ended 31-03- 2016
	Rs.
Purchase of Licences	7,549,720
Travelling , Conveyance & Other Expenditure	9,629,367
<b>Total</b>	<b>17,179,087</b>

## Notes Forming Integral Part of Consolidated Financial Statements as at 31st March, 2016

**Note: 30**

## Unhedged Foreign Currency Exposure

Particulars	Foreign Currency	As at 31-03-2016
Trade Receivables	USD	1,854,474
	(In Rs.)	122,246,954
	SGD	41,743
	(In Rs.)	2,030,796
	EURO	3,910
	(In Rs.)	289,962
Advances from Trade Receivables	USD	86,494
	(In Rs.)	5,701,696
Trade Payables	USD	39,883
	(In Rs.)	2,629,087

**Note: 31**

## Payments to Auditors

Particulars	2015-16
Statutory Audit Fee	378,625
Tax Audit Fee	200,000
Audit Fee for Consolidation of Accounts	25,000
Certification Fee	20,000
<b>Total</b>	<b>623,625</b>

(Net of Service Tax)

**Note: 32****Employee Benefits**(i) **Defined benefit plans**

The Company provides for gratuity, a defined benefit plan to its employees. The gratuity plan provides a lump sum payment to eligible employees at retirement or termination of employment based on the respective employees last drawn salary and years of employment with the Company.

	As at 31 March
	2016
Projected benefit obligation at the beginning of the year	4,838,250
Current service cost	451,086
Interest Cost	387,060
Actuarial loss / (gain)	230,534
Benefits paid	(2,240,588)
<b>Projected benefit obligation at the end of the year</b>	<b>3,666,342</b>
<b>Amounts recognized in the balance sheet</b>	
Projected benefit obligation at the end of the period	3,666,342
<b>Liability recognized in the balance sheet</b>	<b>3,666,342</b>
<b>Cost for the period</b>	
Current service cost	451,086
Interest cost	387,060
Expected return on plan assets	-
Net actuarial loss recognized in the period	230,534
<b>Net cost recognized in the statement of profit and loss*</b>	<b>1,068,680</b>
<b>Assumptions</b>	
Discount rate	8.00%
Expected rate of salary increases	5.00%
Employee attrition rate	7.55%

- (ii) In respect of Defined contribution plan (Provident Fund), an amount of ₹7,694,433 has been recognised in the Statement of Profit and Loss.

**Note: 33**

The Company has made provision for tax on the basis of provisions/s 115JB of the Income Tax Act, 1961. The same is taken in books as it can be adjusted against the normal tax liability during the specified period. In accordance with the guidance note issued by ICAI, the company will review the same at each balance sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing

**Note: 34**

The Company has taken various premises under cancellable operating lease agreements. Company intends to renew such leases in the normal course of business. Total rental expenses under cancellable operating leases amounted to Rs. 12,292,454. The same are grouped under Rent in other expenses in the Statement of Profit and Loss. The Company has no non-cancellable operating leases during the year ended 31 March 2016.

**Note: 35**
**Related Party Disclosures**

Holding Company	: Bodhtree Solutions Inc
Subsidiary Company	: Bodhtree Human Capital Pvt Limited
Fellow Subsidiaries	: Bodhtree Solutions Pte Limited Bodhtree Consulting Pte Limited
Associate Company	: Pressmart Media Limited Learnsmart (India) Private Limited
Key Management Personnel	Mr. L.N.Ramakrishna, Managing Director (Wef 24-01-2015) : Mr. Pal Natarajan, Managing Director (Upto 24-01-2015)
Enterprises controlled or significantly influenced by individual / relatives:	: Kepler Information Systems Pvt Ltd Sreeven Infocom Ltd

**Transactions with Related Parties**

Particulars	2015-16
	Rs.
<b>Sales/Rendering Services</b>	
- Bodhtree Solutions Inc	137,220,887
- Bodhtree Consulting PTE Ltd.	-
- Bodhtree Solutions PTE Ltd.	49,150
<b>Purchases/Availing Services</b>	
- Kepler Information Systems Pvt Ltd	5,241,948
- Sreeven Infocom Ltd	3,103,846
<b>Managerial Remuneration</b>	
- L.N. Ramakrishna - Managing Director (wef 24-01-2015)	3,000,000
- K. Prabhakar Rao (wef 14-02-2015)	1,211,404
<b>Reimbursement of Expenses</b>	
- Bodhtree Solutions Inc	1,749,736
<b>Balances outstanding at the end of the year</b>	
<b>Debit Balances</b>	
- Bodhtree Solutions Inc	25,778,150
- Bodhtree Solutions PTE Ltd.	1,990,465
- Learnsmart (India) Private Limited	35,862,765
- Pressmart Media Limited	22,142
<b>Credit Balances</b>	
- L.N. Ramakrishna - Loan to company	8,750,000
<b>Investments</b>	<b>72,249,710</b>
- Pressmart Media Limited	67,199,710
- Learnsmart (India) Private Limited	5,050,000

**Note: 36**

The company is preparing the consolidated financial statements for the first time which include financials of 100% subsidiary of the company viz. Bodhtree Human Capital Private Limited for the year ended on March 31, 2016 as per the details given below. The company is holding investments in Associate companies and financial statements of these investee companies for the financial year 2015-16 are not available, hence the consolidation of these companies are not considered while preparing the consolidated financial statements.

Name of Entity	Net Assets		Share of Profit / Loss	
	%age of Consolidated Net Assets	Amount	%age of Consolidated Profit / Loss	Amount
Subsidiary - Indian				
Bodhtree Human Capital Private Limited	0.01%	48,705		-51,295

**Note: 37**

Since the consolidation is applicable for the first time, comparable previous year figures are not given.

**For Nisar & Kumar**  
**Chartered Accountants**  
 Firm Reg. No: 127820W

Sd/-  
**T.N.V.Visweswara Rao**  
 Partner  
 M.No. 204084

Place: Hyderabad  
 Date: 30-05-2016

**For Bodhtree Consulting Limited**  
 CIN: L74140TG1982PLC040516

Sd/-  
**L. N.Ramakrishna**  
 Managing Director  
 DIN: 03623543

Sd/-  
**K.Prabhakar Rao**  
 Chief Financial Officer

Place: Hyderabad  
 Date: 30-05-2016

Sd/-  
**K. Rajesh**  
 Director  
 DIN: 02727491

Sd/-  
**K.Srikanth Reddy**  
 Company Secretary


**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND**

To  
M/s. Venture Capital and Corporate Investments Private Limited  
12-10-167, Bharatnagar  
Hyderabad – 500018  
Telangana  
Tel: 040-23818475/476  
Fax: 040-23868024

Shareholders authorization to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No.:	ECS Ref. No.: (for office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR Cheque issued by the Bank. (Please attach a blank cancelled Cheque, or a photocopy (Xerox copy) of a Cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Bodhtree Consulting Limited responsible. I agree to discharge the responsibility expected of me as a participant under the Scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place: \_\_\_\_\_ Name of First Holder: \_\_\_\_\_  
Date: \_\_\_\_\_

Name of Second Holder: \_\_\_\_\_

**Note:**

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to not that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.







**BODHTREE CONSULTING LIMITED**

CIN: L74140TG1982PLC040516

Registered Office: Block "A", Wing"2", Level-6, Cyber Gateway, Madhapur,  
Hyderabad, Telangana -500081

●E-mail: [cosecy@bodhtree.com](mailto:cosecy@bodhtree.com) ●Website: [www.bodhtree.com](http://www.bodhtree.com)

## ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

**(To be surrendered at the venue of the meeting)**

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Bodhtree Consulting Limited.

I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Shareholders of Bodhtree Consulting Limited on Friday the 30<sup>th</sup> day of September, 2016 at 09.00 A.M. at Crystal-II, Radisson, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032

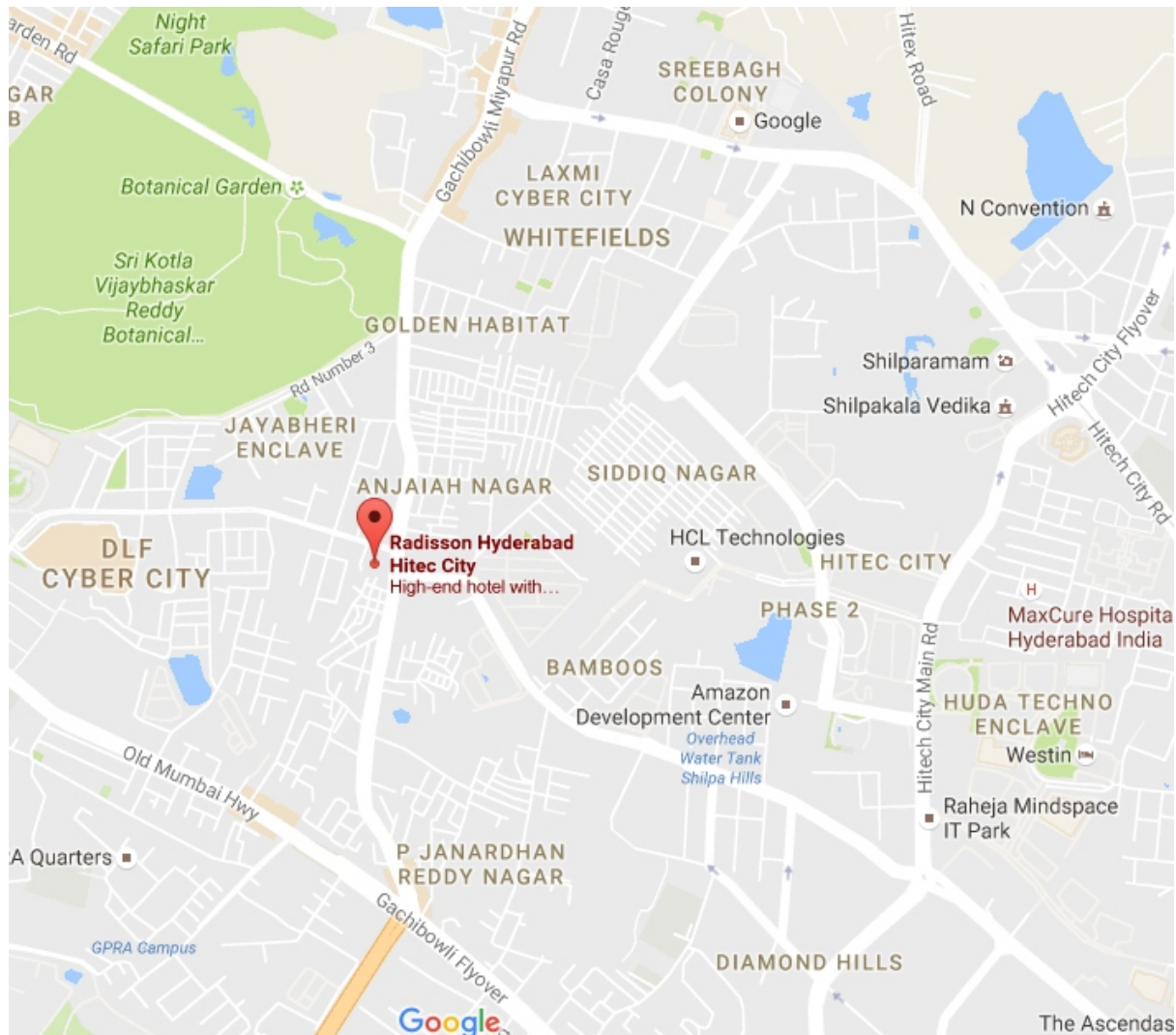
<b>DP ID*</b>	<b>Regd. Folio No.</b>
<b>Client ID*</b>	<b>No. of Shares</b>

\*Applicable if shares are held in electronic form.

Name &amp; Address of Member

Signature of Shareholder/Proxy/  
Representative (Please Specify)

**ROAD MAP FOR VENUE OF THE 34<sup>th</sup> ANNUAL GENERAL MEETING**





**BODHTREE CONSULTING LIMITED**

CIN: L74140TG1982PLC040516

Registered Office: Block "A", Wing "2", Level-6, Cyber Gateway, Madhapur, Hyderabad,  
Telangana -500081

•E-mail: cosecy@bodhtree.com •Website: www.bodhtree.com

**Form No.MGT-11**

**Proxy Form**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration Rules, 2014)

CIN	L74140TG1982PLC040516
Name of the Company	BODHTREE CONSULTING LIMITED
Registered Office	Block "A", Wing "2", Level-6, Cyber Gateway, Madhapur, Hyderabad, Telangana-500081
Name of the member(s)	
Registered Address	
E-mail Id	
Folio No./Client ID	
	DP ID

I/We, being the Member(s) of \_\_\_\_\_ shares of **Bodhtree Consulting Limited**, hereby  
appoint

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

or failing him/her

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

or failing him/her

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup>  
Annual General Meeting (AGM) of the Company to be held on Friday, the 30<sup>th</sup> day of  
September, 2016 at 09.00 a.m. at Crystal-II, Radisson, Hitec City, Gachibowli, Hyderabad, Telangana  
State, India, 500 032, and at any adjournment thereof in respect of such resolutions as are  
indicated below:





Resolution Number	Description	Optional ( √ )	
		For	Against
Ordinary Business			
1	Adoption of Accounts (Standalone and Consolidated) for the financial year ended 31 <sup>st</sup> March, 2016, the Balance Sheet as at that date and the Reports.		
2	Appointment of Mr. L N Ramakrishna, Director, who retires by rotation and being eligible offers himself for re-appointment.		
3	Ratification of appointment of M/s Nisar & Kumar., Chartered Accountants, (ICAI Firm Registration Number: 127820W) as Statutory Auditors of the Company.		
Special Business			
4	Regularization of additional director Mrs. Lakkimsetti Muneashwari.		
5	Approval of Related Party Transactions.		
6	Approval of Bodhtree Consulting Limited Employee Stock Options Plan 2016 and grant of Employee Stock Options to the employees of the Company there under.		
7	Approval to Borrow Money in excess of Aggregate of paid-up share capital and free reserves of the Company		
8	Approval for creation of charge on the total assets of the Company to secure its borrowings		
9	Approval for Further Issuance of Securities		
10	Approval of the limits for the Loan(s) and Investment(s) by the Company in terms of the provisions Section 186 of the Companies Act, 2013		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of shareholder: \_\_\_\_\_

Affix  
Revenue  
Stamp

**NOTE:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.



**Form No.MGT-12****POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration Rules, 2014)

CIN	L74140TG1982PLC040516		
Name of the Company	<b>BODHTREE CONSULTING LIMITED</b>		
Registered Office	Block "A", Wing "2", Level -6, Cyber Gateway, Madhapur, Hyderabad, Telangana-500081		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	
Number of Equity shares held			

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Resolution Number	Description	Optional ( √ )	
		For	Against
Ordinary Business			
1	Adoption of Accounts (Standalone and Consolidated) for the financial year ended 31 <sup>st</sup> March, 2016, the Balance Sheet as at that date and the Reports		
2	Appointment of Mr. L N Ramakrishna, Director, who retires by rotation and being eligible offers himself for re-appointment.		
3	Ratification of appointment of M/s Nisar & Kumar., Chartered Accountants, (ICAI Firm Registration Number: 127820W) as Statutory Auditors of the Company.		
Special Business			
4	Regularization of additional director Mrs. Lakkimsetti Muneashwari.		
5	Approval of Related Party Transactions.		
6	Approval of Bodhtree Consulting Limited Employee Stock Options Plan 2016 and grant of Employee Stock Options to the employees of the Company there under.		
7	Approval to Borrow Money in excess of Aggregate of paid-up share capital and free reserves of the Company		
8	Approval for creation of charge on the total assets of the Company to secure its borrowings		
9	Approval for Further Issuance of Securities		
10	Approval of the limits for the Loan(s) and Investment(s) by the Company in terms of the provisions Section 186 of the Companies Act, 2013		

Place:

Date:

(Signature of the Shareholder)





## NOTES

## NOTES

## NOTES

## NOTES



## **Vision**

We want to be the most admired company for our Employees, Partners and Customers.

## **Mission**

Enabling technology that helps our customers build a global, secure and scalable enterprise.

### **Bodhtree Consulting Limited**

Block "A", Wing "2", Level 6,  
Cyber Gateway, Madhapur,  
Hyderabad - 500081  
India

Tel: +91.40.6622.2333  
[www.Bodhtree.com](http://www.Bodhtree.com)

