

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: 22 July, 2017

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

Dear Sir/Madam,

Sub: Submission of 35th 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 35th Annual General Meeting (AGM) of the Company held on Saturday, the 22nd day of July, 2017 at 09.30 A.M. approved and adopted the enclosed 35th Annual Report of the Company.

We request to take the same on your record.

Thanking you

Yours truly

For Bodhtree Consulting Limited


Srikanth Reddy Kolli
Company Secretary

Encl: A/a

35th Annual Report 2016-2017



www.bodhtree.com



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CORPORATE INFORMATION

Board of Directors

Mr. L N Ramakrishna (DIN. 03623543)
Mr. Katragadda Rajesh (DIN. 02727491)
Mr. Sanjiv Gupta (DIN. 00233040)
Mr. Muthukrishnan Swaminathan (DIN. 00339373)
Mrs. L Muneashwari (DIN. 07219454)

Managing Director

Director

Director

Director

Director

Mr. Nimmagadda Sriram (DIN. 02978454)

Director (Resigned w.e.f. 02 November, 2016)

Mr. Krishnan Jayaraman (DIN. 07277651)

Director (Vacated the office u/s. 167(1)(b) w.e.f. 11 May, 2017)

Mr. K Srinivasa Rao (DIN. 07655081)

Additional Director (Resigned w.e.f. 25 May, 2017)

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

Website: www.bodhtree.com

CIN: L74140TG1982PLC040516

Registrar & Share Transfer Agents

Venture Capital and Corporate Investments
Private Limited ,

12-10-167, Bharatnagar,

Hyderabad-500018

Ph: 040-23818475/476,

Fax: 040-23868024

Email: info@vccilindia.com

Statutory Auditors

M/s. Nisar & Kumar, Chartered Accountants
6-2-941, Flat No. 205, Mughal's Emami- Mansion,
Khairatabad, Hyderabad, Telangana - 500 004,
India

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

BOARD COMMITTEES

Audit Committee	Mr Katragadda Rajesh	- Chairman
	Mrs L Muneashwari	- Member (w.e.f. 04 November, 2016)
	Mr Muthukrishnan	- Member
	Swaminathan	
Stakeholders Relationship Committee	Mr Katragadda Rajesh	- Chairman
	Mrs L Muneashwari	- Member (w.e.f. 04 November, 2016)
	Mr Muthukrishnan	- Member
	Swaminathan	
Nomination and Remuneration Committee	Mr Katragadda Rajesh	- Chairman
	Mrs L Muneashwari	- Member (w.e.f. 04 November, 2016)
	Mr Sanjiv Gupta	- Member
Risk Management Committee	Mr Katragadda Rajesh	- Chairman
	Mrs L Muneashwari	- Member (w.e.f. 04 November, 2016)
	Mr Muthukrishnan	- Member
	Swaminathan	

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of Bodhtree Consulting Limited will be held at **Crystal-I, Radisson**, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032 on **Saturday**, the **22nd day of July, 2017** at **09.30 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, 2017, 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, 2017, together with the Report of Auditors thereon.

2. To declare a Final Dividend on Equity Shares for the Financial Year 2016-17.
To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT a Dividend of Rs. 0.50 (5%) per share recommended by the Board of Directors of the Company on 11 May, 2017 be and is hereby approved as Final Dividend for the year ended 31 March, 2017."

3. To appoint a Director in place of Mr. Sanjiv Gupta (DIN: 00233040) who retires by rotation and being eligible, offers himself for re-appointment.

4. Ratification of Appointment of Auditors
To consider and, if deemed fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"**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-sixth AGM of the Company to be held in the year 2018 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."

By Order of the Board

Place: Hyderabad
Date: 22 June, 2017

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. 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.
3. 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.
4. The Register of Members and Share Transfer books of the Company will remain closed from **14 July 2017 to 22 July 2017 (both days inclusive)** for the purpose of the Final Dividend and AGM.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. 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 VCC IPL.
11. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with VCC IPL/Depository Participant to enable the Company to send communications electronically.
12. The Notice of the AGM along with the Annual Report 2016-17 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.
13. Members may also note that the Notice of the 35th AGM and the Annual Report 2016-17 will be available on the Company's website, 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, at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
14. 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 – D** to the notice.
15. **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
- (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:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
DOB#	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.
DIVIDEND BANK DETAILS	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.

- (vii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the relevant **EVSN** 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 **19-07-2017 (9.00 AM) and ends on 21-07-2017 (5.00 PM)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as of **13-07-2017 (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 under help Section or write an email to 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 **13-07-2017**.
- 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.

B) 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 and be communicated to the Stock Exchanges where the Company is listed, viz. M/s. 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, Website: www.bodhtree.com.

Place: Hyderabad
Date: 22 June, 2017

By Order of the Board

L N Ramakrishna
Managing Director
DIN: 03623543

Annexure – D

Details of Directors as on March 31, 2017 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. Sanjiv Gupta
B	Brief Resume	
	i) Age	52 years
	ii) Educational Qualification	Graduation in Commerce
	iii) Experience in specific functional area	He has over 26 years of successful entrepreneurial experience.
	iv) Date of appointment on the board of the Company (Bodhtree Consulting Ltd)	03 November, 1999 (DIN No: 00233040)
C	Nature of expertise in functional area	He founded Bodhtree Consulting Ltd to offer niche Web Services expertise to the industry and tied up with reputed organizations like Hewlett-Packard and AU System (Sweden). He expanded the company into other high-growth areas like Data Quality Management and Business Analytics and partnered with leading healthcare giants in USA.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	1. Mas Trading and Investments Pvt. Ltd 2. Culinary Cuisines Pvt Ltd 3. Callfree Infotainment Pvt Ltd 4. Artflute Gallery Pvt Ltd 5. Normak Fashions Pvt Ltd 6. POP Software Solutions Pvt Ltd 7. Skyhigh Networks Technologies Pvt Ltd
E	Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee)	Nil
F	No. of shares of Rs.10/- each held by the Director	2134500
G	Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the *Thirty Fifth 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, 2017, 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)	
	2016-17	2015-16
Income from Operations	7876.16	4621.37
Other Income	87.07	150.71
Total Income	7963.23	4772.08
Operating Expenditure	7412.28	4516.78
Profit (Loss) before depreciation & Tax	550.95	255.30
Depreciation	120.39	127.09
Operating Profit (Loss)	430.56	128.21
Prior Period & Exceptional Items	0	0
Profit before Tax & Extra-Ordinary Items	430.56	128.21
Extra-ordinary Items	0	0
Tax Expense / (Reversal)	163.83	(48.87)
Profit (Loss) after tax	266.73	177.08

2. Company's Performance:

During the year under review the Company reported a total income of Rs. 7963.23 Lakhs against Rs. 4772.08 Lakhs in the previous year. The Operating profit amounted to Rs. 430.56 Lakhs as against operating profit of Rs. 128.21 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. General Reserve:

The Company has not proposed to transfer any amount to the general reserve for the Financial Year ended 31 March, 2017.

4. Dividend

The Board of Directors of the Company at its meeting held on 11 May, 2017 have recommended a final dividend @ 5% on the paid up Equity share capital of the Company i.e., Rs. 0.50 per Equity share on face value of Rs. 10 each, subject to the approval of shareholders in the ensuing Annual General Meeting.

5. Share Capital:

The Paid-up Share Capital of the Company as on 31 March, 2017 is Rs. 20,47,21,050.

During the year under review, the Company had converted 625000 – 0.001% Compulsory Convertible Preference Shares on 30 May, 2016 in to 500000 fully paid up equity shares of the Company and consequently the Paid-up Share Capital of the Company changed from Rs. 20,59,71,050 to Rs. 20,47,21,050. As on 31 March, 2017 there are 2425938 – 0.001% CCPS outstanding which shall be converted to the Equity on or before 26 April, 2017.

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 2017-18.

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, the Company is having one wholly owned subsidiary Company in the name and style of M/s. Bodhtree Human Capital Private Limited which is engaged in the business of staff augmentation and related service sector. The subsidiary Company did not commence business during the F.Y. 2016-17.

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 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 – IV** to this 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 31st March 2017 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 31st March 2017 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 2016-17.

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. Nimmagadda Sriram resigned as a Director from the Board of Directors of the Company on 04th November 2016 due to his preoccupations. The Board places on record its sincere appreciation for Mr. Nimmagadda Sriram value addition and fruitful association with the Company and thanks him for providing valuable guidance to the Company during his tenure.

During the year, upon the recommendation of Nomination and Remuneration Committee, Mr. Kommineni Srinivasa Rao was appointed as Additional Director (Non-Executive Independent) of the Company by the Board at its meeting held on 14 November, 2016 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. Mr. Kommineni Srinivasa Rao resigned as a Director from the Board of Directors of the Company w.e.f. 25 May, 2017 due to his preoccupations. The Board places on record its sincere appreciation for Mr. Kommineni Srinivasa Rao value addition contributions and fruitful association with the Company and thanks him for providing valuable guidance to the Company during his tenure.

During the year, Mrs. Muneashwari Lakkimsetti, who was appointed as Non-executive Non-Independent Women Director on the Board of the Company on 14 November 2015 was regularized as Director by the Members in 34th Annual General Meeting held on 30 September, 2016.

Dr. Krishnan Jayaraman has vacated the office of Directorship w.e.f. 11 May, 2017 due to the following reason envisaged in Section 167 (1) (b) of the Companies Act, 2013 i.e. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board.

In accordance with the provisions of Act and the Articles of Association of the Company, Mr Sanjiv Gupta 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. There has been no other changes in the key managerial personnel during the year under review.

14. Number of meetings of the board:

5 (Five) 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 19 January, 2017, 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 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 Auditors 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, 2017.

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, 2017.

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.

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>

:

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. Employees Stock Options Scheme:

The Board in its Meeting held on 14 November, 2016 has approved BCL ESOP-2016 policy to its Employees with 10 Lakh fully paid-up Equity Shares, which were approved by the shareholders in the last Annual General Meeting held on 30 September, 2016. The in-principle approval for the said 10 lakh options was obtained from BSE on 04 January 2017. The Company did not grant any options to its employees during F.Y. 2016-17. The details of Employees Stock Options pursuant to section 62 of the Companies Act, 2013 read with Rules made thereunder; and SEBI (Share Based Employee Benefits) Regulations, 2014 and erstwhile SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided as **Annexure – IX** to this Report.

37. 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. Neither the Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.

- c. 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.
- d. 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.

38. 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: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

K Rajesh
Director
DIN: 02727491

ANNEXURE – I**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:

Software and computing technology is transforming businesses in every industry around the world in a very profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fueling the rapid digitization of business processes and information. Traditional business models are being disrupted in every industry with digital and software-based business models. This disruption is characterized by highly desirable user experiences, an extreme scale-of-cost performance that has become available in computing infrastructure and disintermediation of the supply chain. Leveraging technologies and models of the digital era to both extend the value of existing investments and, in parallel, transform and future-proof their businesses is increasingly becoming a top priority for business leaders. This duality – to renew existing core businesses and innovate new businesses – is the essence of what companies are faced with as strategic imperatives today.

The renewal of our core business translates to harnessing the efficiency of distributed cloud computing, enabling legacy systems for mobile and sensor access, extracting value out of digitized data, keeping systems relevant and optimizing the costs of building and running technology systems. As businesses look to new areas and new economies, new and intelligent systems are required to be built with next-generation technologies and with exponentially superior cost-benefit performance. The fast pace of technology change and the need for technology professionals, who are highly skilled in both the renewal and new technology areas, are driving businesses to rely on third parties to realize their IT transformation. Several technology solutions and service providers have emerged over the years, offering different models for clients to consume their solution and service offerings:

- Technology consulting companies – who take on niche and time-bound projects for their clients
- Global IT outsourcing companies – who leverage global talent pool to systematically optimize the IT operations of clients
- Business process management firms – who leverage global talent pool to manage the outsourced core business processes of their clients
- Software firms – who provide licensed software that enable the automation of business processes

- Specialty platform and Software-as-a-Service companies – who provide utility-based models for clients to consume software features
- Data analytics companies – who specialize in designing, analyzing and reporting insights from the vast amount of data that corporations are collecting about their customers, operations and markets
- Internal IT departments of the companies themselves – usually cost centers for the corporation

OPPORTUNITIES AND THREATS:**Our strengths**

We believe our strengths give us the competitive advantage to position ourselves as a leading global technology solutions and services company to solve the strategic challenges of business.

Consulting and domain expertise:

Our specific industry, domain, process, and technology expertise allows us to enable clients to transform their businesses with innovative strategies and solutions. Our expertise and methodologies incorporate Design Thinking that helps our clients enhance their performance, gain process and IT efficiencies, increase agility and flexibility, reduce costs, and achieve measurable business value.

Breadth of offerings:

Our suite of comprehensive end-to-end business solutions includes business and technology consulting, enterprise solutions, systems integration, custom application development, application maintenance and production support, infrastructure management, independent testing and validation, cloud ecosystem integration, product engineering and life-cycle solutions, business process management, software products, and business platforms and solutions.

Intellectual property in platforms, products:

Our products, platforms and solutions are geared to sense, influence, fulfil, and serve the needs of digital consumers as well as leverage the potential of their business ecosystem.

Experience and expertise in large-scale outsourcing:

We have developed processes and frameworks for large-scale outsourcing of technology projects that minimize financial and business risk to our clients. Our Global Delivery Model divides projects into components that can be executed simultaneously at client sites and at our development centers in India and around the world. We optimize our cost structure by maintaining the flexibility to execute project components where it is most cost-effective. This is further strengthened with automation, intelligence and collaboration technologies.

Deep client relationships and brand:

We have long-standing relationships with large corporations and other organizations. Our track record in delivering high-quality solutions across the entire software life cycle and our strong domain expertise helps us to solidify these relationships and gain increased business from our existing clients. This history of client retention allows us to showcase and strengthen our brand.

Quality and process execution:

Our sophisticated processes, standards and quality frameworks allow us to continuously optimize service delivery of various engagements on key performance indicators like business value, productivity, quality and cycle-time.

High-quality talent:

We have a strong ecosystem for employee attraction, career development, engagement and retention through a trusted partnership with our stakeholders. Competence development of our workforce has always been our key strategic focus area. We have a culture of performance and innovation in an open and collaborative environment.

Our strategy

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while generating profitable growth for our investors. In order to do this, we will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do. These translate to the following strategic focus areas:

Build expansive, lasting relationships with our clients by delivering differentiated market offerings:

Our strategy is to engage with clients on their large transformative programs, both in traditional IT areas as well as for their new digital business initiatives. We expand existing client relationships by providing them a broad set of end-to-end service offerings and increase the size, nature and number of projects we do with them.

We invest in building our own and acquiring proprietary software platforms targeted at addressing the strategic imperatives of our clients in various industries. The combination of our intellectual property and the services surrounding it generates unique value propositions for our clients.

Through our Zero Distance program, we help our clients innovate and derive more value. Zero Distance is the process of everyday innovation at Bodhtree whereby all employees are expected to innovate in their individual capacities and through their individual jobs.

Zero Distance has a three-fold emphasis: to reduce the gap between us and the code we write, the gap between us and our clients and the gap between us and the ultimate end user.

We also invest in targeted business development and marketing to acquire new clients, and increase our presence in new geographies and market segments. We position our brand as differentiated, global and respected.

Deliver solutions and services leveraging highly cost-effective models:

Our strategy is to leverage software-based automation and our Global Delivery Model to deliver solutions and services to our clients in the most cost-effective manner, while at the same time optimizing our cost structure to remain competitive. We are embracing artificial intelligence-based automation techniques and software automation platforms to boost productivity of our projects. We are leveraging software process engineering and collaboration technologies to improve process productivity. Our Global Delivery Model provides scale, quality, expertise and cost and time-to-market advantages to our client projects. The model enables us to perform work at the location where the best talent is available and where it makes most economic sense with the least amount of risk. Over the last 30 years, we have developed our distributed execution capabilities to deliver high-quality and scalable services. This scalable infrastructure complements our ability to deliver project components that are executed round the clock and across time zones enabling us to reduce project delivery times.

Enhance our operational processes for agility:

We periodically assess the effectiveness of our organization structure and processes to optimize them for alignment with our strategic objectives and agility. We continually evaluate critical cross-functional processes and benchmark them with best-in-class practices to optimize costs and enable swift and effective response to our clients. We constantly monitor and optimize various operational parameters, such as the cost and utilization of resources, distribution of employees around the world, the cost of operating our campuses and whether we are optimally realizing the efficiencies of scale.

Attract and retain a global, diverse, motivated and high-performing employee base:

Our employees are our biggest assets. To meet the evolving needs of our clients, our priority is to attract and engage the best talent in the right locations with the right skills. We offer our employees challenging work assignments, benchmarked compensation and a collaborative, productive work environment. Our performance management system is objective and rewards performance. We invest substantially in employee engagement to motivate employees and encourage social communication

and collaboration. Teaching and learning are central to the Bodhtree culture. Our investments in our Global Education Center and in creating various learning opportunities for our employees help them stay abreast of new developments in software technologies, spur innovation and build a lifelong career at Bodhtree. We are guided by our value system which motivates our attitudes and actions. Our core values are Client Value, Leadership by Example, Integrity and Transparency, Fairness and Excellence.

Pursue strategic alliances and acquisitions:

We leverage alliances that complement our core competencies. We partner with leading technology software and hardware providers in creating, deploying, integrating and operating business solutions for our clients. We have also expanded the scope of our collaborations to encompass universities and research organizations.

We will deploy our capital in making selective business acquisitions that augment our expertise, complement our presence in certain market segments and accelerate the execution of our strategies. We have an innovation fund to tap into innovation networks of early-stage companies and universities to gain access to new thinking and business models.

Our competition

We experience intense competition in traditional services and see a rapidly-changing marketplace with new competitors arising in new technologies who are focused on agility, flexibility and innovation. We typically compete with other technology service providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end solutions, ability to scale, superior quality and process execution, Global Delivery Model, experienced management team, talented professionals and track record as reasons for awarding us contracts. In future, we expect intensified competition. In particular, we expect increased competition from firms that strengthen their offshore presence in India or other low-cost locations, firms that offer technology-based solutions to business problems and from firms incumbent in market segments that we have recently entered.

We believe that the principal competitive factors in our business are:

- The ability to keep pace with ever-changing technology and how they apply to customer requirements
- The ability to increase the scale and breadth of service offerings to provide one-stop solutions for customer needs
- The ability to articulate and demonstrate long-term value to existing and potential customers
- The ability to attract and retain high-quality management, technology professionals, and sales personnel
- The ability to effectively integrate global execution capabilities to deliver high-quality, seamless, scalable, cost-effective services
- A strong and well-recognized brand
- A proven track record of performance excellence and customer satisfaction
- The financial strength to be able to invest in personnel and infrastructure to support the evolving demands of customers • High ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of the Company and its customers.

FUTURE OUTLOOK ON RISKS AND CONCERNS:

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Our outlook, risks and concerns are as follows:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline.
- We may not be able to sustain our levels of profitability due to multiple reasons, including but not limited to, higher cost of doing business in certain key markets such as the U.S. on account of increased investments in onsite development centers
- The economic environment, pricing pressures, and decreased employee utilization rates could negatively impact our revenues and operating results.
- Currency fluctuations and declining interest rates may affect the results of our operations.
- Our success depends largely upon our highly-skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel.
- Wage pressures in India and the hiring of employees outside India may prevent us from sustaining some of our competitive advantage and may reduce our profit margins.
- Any inability to manage our growth could disrupt our business, reduce our profitability and adversely impact our ability to implement our growth strategy.
- We may not be able to provide end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business.
- Intense competition in the market for technology services could affect our pricing, which could reduce our share of business from clients and decrease our revenues.
- A large part of our revenues is dependant on our top clients and the loss of any one of our major clients could significantly impact our business.
- Our success depends in large part upon our management team and key personnel, and our ability to attract and retain them.
- Our failure to complete fixed-price and fixed-timeframe contracts, or transaction-based pricing contracts, within budget and on time, may negatively affect our profitability.
- Our client contracts can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.
- Our engagements with customers are typically singular in nature and do not necessarily provide for subsequent engagements.
- Our client contracts are often conditioned upon our performance, which, if unsatisfactory, could result in lower revenues than previously anticipated.
- Our work with governmental agencies may expose us to additional risks.
- Our business will suffer if we fail to anticipate and develop new services and enhance existing services to keep pace with rapid changes in technology and in the industries on which we focus.
- Disruption in services due to failure in communication network, system failures, virus attacks or breach of cyber security, could negatively impact our operations and ability to provide our services and solutions, which could result in client dissatisfaction and a reduction of our revenues.
- We may be liable to our clients for damages caused by the disclosure of confidential information, system failures, errors or unsatisfactory performance of services.
- We may be the subject of litigation, which if adversely determined, could harm our business and operating results.
- Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business.
- We are investing substantial cash assets in new facilities and physical infrastructure, and our profitability could be reduced if our business does not grow proportionately.

- We may be unable to recoup investment costs incurred in developing our software products and platforms.
- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful.
- Goodwill that we carry on our Balance Sheet could give rise to significant impairment charges in the future.
- The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis, storms and other natural and man-made disasters.
- The safety of our employees, assets and infrastructure may be affected by untoward incidents beyond our control, impacting business continuity or reputation.
- Negative media coverage and public scrutiny may divert the time and attention of our Board and Management and adversely affect the prices of our equity shares.
- Actions of activist shareholders may adversely affect our ability to execute our strategic priorities, and could impact the trading value of our securities.
- An increase in anti-outsourcing sentiments in certain countries in which we operate, including the United States, the United Kingdom and Australia, may lead to the enactment of restrictive legislations that could limit companies in those countries from outsourcing work to us, or could inhibit our ability to staff client projects in a timely manner thereby impacting our revenue and profitability.
- Given that our employees in the United States, Europe and other jurisdictions are working on visas, any restrictions on immigration may affect our ability to compete for and provide services to clients in these jurisdictions, which could hamper our growth or cause our revenues to decline and impact profitability.
- New and changing corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.
- The intellectual property laws of India are limited and do not give sufficient protection to software and the related intellectual property rights to the same extent as those in the United States. We may be unsuccessful in protecting our intellectual property rights. We may also be subject to third-party claims of intellectual property infringement.
- Increased regulation in the industries in which our clients operate could harm our business, results of operations and financial condition.
- Our net income would decrease if the Government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire, reduce or terminate.
- In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.
- We operate in jurisdictions that impose transfer-pricing and other tax-related regulations on us, and any failure to comply could materially and adversely affect our profitability.
- Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.
- Changes in the policies of the Government of India or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects.
- Our international expansion plans subject us to risks inherent in doing business internationally.
- Our ability to acquire companies organized outside India depends on the approval of the Reserve Bank of India and / or the Government of India, and failure to obtain this approval could negatively impact our business.

- Indian laws limit our ability to raise capital outside India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.
- Sales of our equity shares may adversely affect the prices of our equity shares.
- The price of US dollar value of any dividends we declare may be negatively affected by fluctuations in the US dollar to Indian rupee exchange rate.

OVERVIEW OF OPERATIONS:

During the year under review the Company reported operating profit of Rs.430.56 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 5. 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 2016-17, the Company has achieved revenue of Rs. 79,63,23,743/- and net profit of Rs. 2,66,73,755/- on a standalone basis. During the same period, the Company has achieved revenue of Rs. 79,63,23,743/- and net profit of Rs. 2,66,42,942/- on a consolidated basis.

The Basic and Diluted Earnings per share of the Company as on 31 March, 2017 is Rs. 1.48 and 1.31 on a standalone and consolidated basis.

The Paid up Share Capital of the Company as on 31 March, 2017 is Rs. 20,47,21,050/- comprising of 1,80,46,167 Equity Shares of Rs. 10/- each fully paid-up and 24,25,938 - 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: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

K Rajesh
Director
DIN: 02727491

ANNEXURE – II

Form No.MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31-03-2017

[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: cosecy@bodhtree.com Website: www.bodhtree.com
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: info@vccilindia.com Website: www.vccilindia.com
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 Human Capital Private Limited., Block A, Wing 2, Level 6, Cyber Gateway, Madhapur, Hyderabad – 500081.	U74900TG2016PTC103679	Subsidiary	Equity Shares 100%	2(87)(ii)
2	M/s. Pressmart Media Limited	U74300TG2006PLC051031	Associate	Equity Shares 33%	2(6)

	MJR Arcade, 3rd Floor, Plot # 1000, Gurukul Society, Khanamet, Madhapur, Hyderabad 500081				
3	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.

During the year, M/s. Bodhtree Solutions Inc., USA had lost the status of Holding Company due to the allotment of 500000 equity shares made by the Company to M/s. Kepler Information Systems Pvt Ltd by way of conversion of CCPS on 30 May, 2016.

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	2194600	--	2194600	12.51	2194600	--	2194600	12.16	(0.35)
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	167000	--	167000	0.95	167000	--	167000	0.93	(0.02)
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(1):-	2361600	--	2361600	13.46	2361600	--	2361600	13.09	(0.37)
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	9000000	--	9000000	51.29	8000000	--	8000000	44.33	(6.96)
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	8000000	--	8000000	51.29	8000000	--	8000000	44.33	(6.96)
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	11361600	--	11361600	64.75	10361600	--	10361600	57.42	(7.33)

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	100000	--	100000	0.57	100000	--	100000	0.55	(0.02)
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	100000	--	100000	0.55	100000	--	100000	0.55	(0.02)
2. Non-Institutions									
a) Bodies Corp.	404176	11500	415676	2.37	1470712	11500	1482212	8.21	5.84
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1490777	94950	1585727	9.04	1880122	91350	1971472	10.92	1.88
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1770722	745100	2515822	14.34	2017623	855044	2872667	15.92	1.58
c) Others									
- Trust	642333	9000	651333	3.71	472333	9000	481333	2.67	(1.04)
- Non-resident Indians	211579	589000	800579	4.56	194620	479056	673676	3.73	(0.83)
- Clearing members	115430	--	115430	0.66	103207	--	103207	0.57	(0.09)
Sub-total (B)(2):-	4635017	1449550	6084567	34.68	6138617	1445950	7584567	42.03	7.35
Total Public Shareholding (B) = (B)(1) + (B)(2)	4735017	1449550	6184567	35.25	6238617	1445950	7584567	42.58	7.33
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	16096617	1449550	17546167	100.00	16600217	1445950	18046167	100.00	--

(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	--	8000000	44.33	44.33	(6.96)
2	M/s. Mas Trading & Investments Pvt Ltd	167000	0.95	--	167000	0.93	--	(0.02)
3	Monica Gupta	60100	0.34	--	60100	0.33	--	(0.01)
4	Sanjiv Gupta	2134500	12.17	--	2134500	11.83	--	(0.34)
Total		11361600	64.75	--	10361600	57.42	44.33	(7.33)

(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	Monica Gupta	60100	0.34	60100	0.33
2	Sanjiv Gupta	2134500	12.17	2134500	11.83
3	M/s. Mas Trading & Investments Pvt Ltd	167000	0.95	167000	0.93
4	M/s. Bodhtree Solutions Inc	9000000	51.29	8000000	44.33

(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	-- 3.99
2	Karvy Stock Broking Ltd At the beginning of the year At the end of the year	--	--	548550 548550	3.04 3.04
3	Kepler Information Systems Pvt Ltd At the beginning of the year At the end of the year	--	--	500000 500000	2.77 2.77
4	BCL Employees Benefit Trust At the beginning of the year At the end of the year	651333	3.71	-- 472333	-- 2.62
5	Harikishen Brijmohan Soni At the beginning of the year At the end of the year	437269	2.49	-- 437269	-- 2.42
6	Palaniappan Natarajan At the beginning of the year At the end of the year	273400	1.56	-- 273400	-- 1.52
7	Brij Mohan Soni At the beginning of the year At the end of the year	210400	1.20	-- 210400	-- 1.17
8	Dronamraju Vindhya At the beginning of the year At the end of the year	210400	1.20	-- 210400	-- 1.17
9	Kalpna Komati At the beginning of the year At the end of the year	315600 --	1.80 --	-- 205656	-- 1.14
10	Nalluri Chandrashekar Murthy At the beginning of the year At the end of the year	166000	0.95	-- 166000	-- 0.92

(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	2134500	12.17	--	--
	At the end of the year			2134500	11.83

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	80375414	28725001	-	109100415
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,03,75,414	2,87,25,001	-	10,91,00,415
Change in Indebtedness during the financial year				
• Addition	3584722	7493692	-	11078414
• Reduction	37275039	6373200	-	43648239
Net Change	(3,36,90,317)	11,20,492		(3,25,69,825)
Indebtedness at the end of the financial year				
i) Principal Amount	46685097	29845493	-	76530590
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,66,85,097	2,98,45,493	-	7,65,30,590

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/WTM/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.	39,32,636
2.	Stock Option	--	--
3.	Sweat Equity	--	--

4.	Commission - as % of profit - Others, specify...	--	--
5.	Others, please specify	--	--
Total (A)			39,32,636
Ceiling as per the Companies Act, 2013 read with Schedule V.		As per Member's resolution passed through Postal Ballot dated 03 January, 2017, the salary was increased to Rs. 5 Lakh P.M. w.e.f. 01 December, 2016.	

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Name of Directors			Total Amount
		Nimmagad da Sriram*	Muthukrishnan Swaminathan	Katragadda Rajesh	
1.	Independent Directors				
	• Fee for attending board / committee meetings	18,000	43,000	43,000	1,16,000
	• Commission	--	--	--	--
	• Reimbursement of expenditure for participation in the Board and other meetings	12,000	--	--	--
	Total (1)	30,000	43,000	43,000	1,16,000
2.	Other Non-Executive Directors	Sanjiv Gupta	K Srinivasa Rao\$	Krishnan Jayaraman #	Lakkimsetti Muneashwari
	• Fee for attending board / committee meetings	27,000	5,000	--	23,000
	• Commission	--	--	--	--
	• Others, please specify	--	--	--	--
	Total (2)	27,000	5,000	--	23,000
	Total (B)=(1+2)				1,71,000

* Resigned w.e.f. 04 November, 2017.

\$ Appointed on 14 November, 2016 and Resigned w.e.f. 25 May, 2017.

Vacated the office of Directorship w.e.f. 11 May, 2017 u/s. 167 (1) (b) of the Companies Act, 2013.

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	13,22,688	6,97,187	20,19,875

	17(3) Income-tax Act, 1961			
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission			
	- as % of profit	--	--	--
	- Others, specify...	--	--	--
5.	Others, please specify	--	--	--
Total		13,22,688	6,97,187	20,19,875

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)
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board

Place: Hyderabad

Date: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17	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	31%	15%	1 : 0.109	For the FY 2016-17, Key Managerial Personnel were paid approx. 22.31% of the net profit for the year.
2	Prabhakar Rao Kallur – Chief Financial Officer	24%			
3	Srikanth Reddy Kolli - Company Secretary	25%			

- II) The median remuneration of employees of the Company during the financial year was Rs. 4,30,000;
- III) In the financial year, there was an increase of 15% in the median remuneration of employees;
- IV) There were 263 permanent employees on the rolls of Company as on March 31, 2017;
- V) Relationship between average increase in remuneration and Company performance:-

The Profit before Tax for the financial year ended March 31, 2017 increased by 50.62% whereas the increase in median remuneration was 15%;

- VI) a) Variations in the market capitalization of the Company: The market capitalization as on 31 March, 2017 was Rs. 52,72,62,318/- which on 31 March, 2016 was Rs. 74,44,04,389/-.
- b) Price Earnings ratio of the Company was Rs.1.48 as at 31 March, 2017 and was Rs.1.01 as at 31 March, 2016.
- 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. 41.25/- as on 31 March, 2017 indicating a

Compounded Annual Growth Rate of 4.13% (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. 2016-17 was 15 % whereas there was 93% increase in the managerial remuneration for the said financial year;

The managerial remuneration was increased w.e.f. 01 December, 2016 during the FY 2016-17.

- 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 Nomination & Remuneration 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	Ambika Prasad Mohapatra	1 : 1.271
2	Sujith Kumar Krishnan	1 : 1.067
3	Neeraj Ramani	1 : 1.017

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	Education 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: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

K Rajesh
Director
DIN: 02727491

Form AOC-1**ANNEXURE - IV**

(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	01 April 2016 to 31 March 2017.
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	(82,108)
6	Total assets	1,00,000
7	Total Liabilities	82,108
8	Investments	--
9	Turnover	--
10	Profit before taxation	--
11	Provision for taxation	--
12	Profit after taxation	--
13	Proposed Dividend	--
14	% of shareholding	100%

- 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 2016-17, the Company is holding investments as aforesaid are termed as Associate Companies. The financial statements for these Companies for the financial year 2016-17 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 of the abovementioned 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. The Company is holding investments as aforesaid are termed as Associate companies. The financial statements for these Companies for the financial year 2016-17 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: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

K Rajesh
Director
DIN: 02727491

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:

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (Rs. in Lakhs)
Sales				
M/s. Bodhtree Solutions Inc.	Control	Ongoing	Ordinary course of business	284.67
M/s. Bodhtree Consulting LLC	Control	Ongoing	Ordinary course of business	37.37
M/s. Bodhtree Solutions PTE Ltd	Control	Ongoing	Ordinary course of business	1.13
M/s. Bodhtree Technologies Pte Ltd	Control	Ongoing	Ordinary course of business	75.91
Purchases				
M/s. Sreeven Infocom Ltd	Control	N.A	Ordinary course of business	16.00
Managerial Remuneration				
L N Ramakrishna	Managing Director	01-04-2016 to 31-03-2017	As per the terms and conditions of appointment	39.33
Reimbursement of Expenses				
M/s. Bodhtree Solutions Inc.	Control	Ongoing	Not applicable	Nil
Debit Balances				
M/s. Bodhtree Solutions Inc.	Control	N.A.	Ordinary course of business	113.79

M/s. Learnsmart (India) Pvt. Ltd.	Associate	N.A.	N.A.	358.62
M/s. Pressmart Media Ltd	Associate	N.A.	N.A.	0.22
M/s. Bodhtree Technologies Pte Ltd	Control	N.A.	N.A.	42.26
M/s. Bodhtree Solutions Pte Ltd	Control	N.A.	N.A.	19.46
Credit Balances				
L N Ramakrishna	Managing Director	N.A.	N.A.	237.68
M/s. Kepler Information Systems Pvt Ltd	Control	N.A.	N.A.	274.69
Investments				
M/s. Pressmart Media Limited	Associate'	N.A.	Equity	672.00
M/s. Learnsmart (India) Private Limited	Associate	N.A.	Equity	50.50

For and on behalf of the Board

Place: Hyderabad
Date: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

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)

Particulars	2016-17	2015-16
Value of Imports – CIF Basis	Nil	Nil
Expenditure in Foreign Currency	2,34,85,849	1,71,79,087
Foreign Currency Earnings – FOB basis	17,27,00,735	27,56,52,048

For and on behalf of the Board

Place: Hyderabad
Date: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

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.

II. BOARD OF DIRECTORS:

The Board of Directors presently comprises of 6 (Six Directors), having versatile knowledge and skills in their respective domains, out of which 5 (Five) are Non-Executive Directors. The Company does not have a Non-Executive Director as the Chairman. The Independent Directors are more than 1/3rd of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

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

Name of the Director	Category	Attendance particulars			As on date		
		Board Meetings		Last AGM Attended	No. of other Directorships ¹	Committee Positions ²	
		Held	Attended			Member	Chairman
Sanjiv Gupta	Non-executive Promoter Director	5	5	Yes	7	0	0
L N Ramakrishna	Managing Director	5	5	Yes	0	0	0
N. Sriram	Non-executive Independent Director	3	2	Yes	1	0	0
K Srinivasa Rao ⁴	Non-executive, Independent Director	2	1	No	0	0	0

K. Rajesh	Non-executive Independent Director	5	5	Yes	3	2	2
Krishnan Jayaraman ³	Non-executive Chairman	5	0	No	0	0	0
Muthukrishnan Swaminathan	Non-executive Independent Director	5	5	Yes	5	2	0
Muneashwari Lakkimsetti	Non-executive, Non-Independent Director	5	3	Yes	0	2	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. Vacated the office of Directorship u/s 167 (1) (b) of the Companies Act, 2013 w.e.f. 11 May, 2017.

4. Resigned as Director w.e.f. 25 May, 2017.

During the year under review Five Board Meetings were held on 30.05.2016, 12.08.2016, 20.08.2016, 14.11.2016 and 19.01.2017.

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	2	2
3	Muthukrishnan Swaminathan	Member	4	4

4	L Muneashwari ^{\$}	Member	2	2
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\$ Appointed w.e.f. 04th November, 2016

@ Resigned w.e.f. 02 November, 2016

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 30th May, 2016; 12th August, 2016; 14th November, 2016 and 19th January, 2017. 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	Muthukrishnan Swaminathan [#]	Non-executive Non-Independent Director	Member	1	1
2	K. Rajesh	Non-executive Independent Director	Chairman	1	1
3	N. Sriram ^{\$}	Non-executive Independent Director	Member	N.A	N.A
4	Sanjiv Gupta	Non-executive Non-Independent Director	Member	1	1

Appointed w.e.f. 04th November, 2016.

\$ Resigned w.e.f. 02nd November, 2016

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:

(Amount in Rs.)

Name of Director	Salary & allowances	Other Benefits	Designation	Gross Remuneration
L N Ramakrishna.	39,32,636	-	Managing Director	39,32,636

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 31-03-2017
Sanjiv Gupta	27,000	21,34,500
N. Sriram ^{\$}	18,000	NIL
K. Srinivasa Rao [*]	5,000	NIL
K. Rajesh	43,000	NIL
Krishnan Jayaraman	NIL	NIL
Muthukrishnan Swaminathan	43,000	NIL
L Muneashwari	23,000	NIL

^{*} Appointed w.e.f 14th November, 2016.

^{\$} Resigned w.e.f. 02nd November, 2016.

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.

c) 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	L Muneashwari [*]	Member
3	N. Sriram [#]	Member
4	Muthukrishnan Swaminathan	Member

^{*} Appointed w.e.f 04th November, 2016;

[#] Resigned w.e.f. 02nd November, 2016.

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 31st March, 2017.

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

d) 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	L Muneashwari*	Member
3	N. Sriram#	Member
4	Muthukrishnan Swaminathan	Member

*Appointed w.e.f 04th November, 2016;

Resigned w.e.f. 02nd November, 2016.

Chairman and members of the Committee are Non-Executive 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:

Year	Location	Date& Time	Special Resolutions
2015-16	Crystal-I, Radisson Hotel, Hitech City, Gachibowli, Hyderabad – 500032, Telangana	30.09.2016 09.00 A.M.	i) Regularization of Additional Director ii) Approval for Related Party Transactions iii) Approval of ESOP Plan, 2016 iv) to borrow money v) creation of charge vi) further issue of securities vii) Approval of limits for the loans and investments by the Company.
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.

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

Year	Date	Special Resolutions
2016-17	No Extra Ordinary General Meeting of the Members was held during the year	
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
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iii) Special Resolution passed during the year through postal ballot:

Special Resolution passed through Postal Ballot process and the result of such Postal ballot was declared on 03 January, 2017 for Appointment of MD with revised Salary for a period of three years w.e.f. 01 December, 2016.

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 provision of LODR Regulations, pertaining to CEO/CFO certification for the financial year ended 31st March, 2017.

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 31st March, 2017. 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.

viii) Relationships inter-se among Directors:

Mr. L N Ramakrishna, Managing Director is the spouse of Mrs. Muneashwari Lakkimsetti, Director of the Company. 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/ Nava Telangana (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/ Nava Telangana (Telugu daily).

c) Any website, where displayed:

The results of the Company are displayed on the Company's website: 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.

Management Discussion & Analysis forms part of the Annual Report.

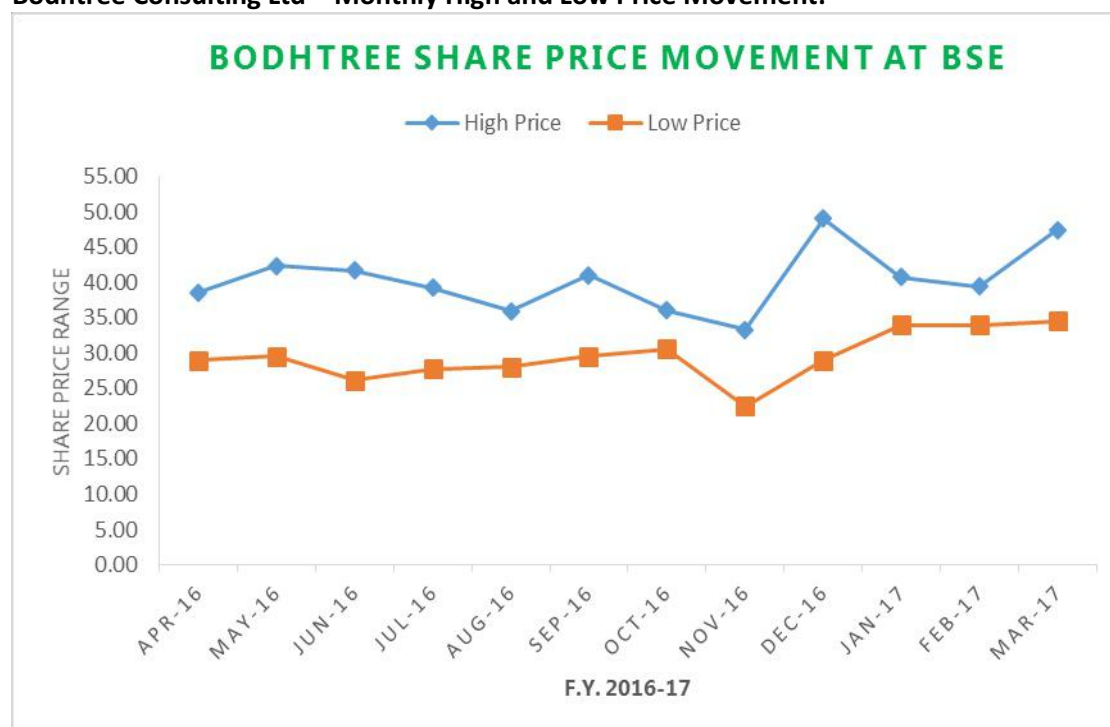
VII. GENERAL SHAREHOLDER INFORMATION:

a.	Annual General Meeting:	35 th Annual General Meeting
	Date and time	22 July, 2017 at 09.30 A.M.
	Place	Crystal-I, Radisson, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032
b.	Financial Year	1 st April, 2016 to 31 st March, 2017
c.	Date of Book Closure	14 th July, 2017 to 22 nd July, 2017 (Both days inclusive)
d.	Dividend Payment Date	N.A.

e.	Listing on Stock Exchanges	M/s. BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Listed on BSE w.e.f. 4 th May, 2015
f.	Demat ISIN No. in NSDL & CDSL for Equity shares and Stock Code	INE104F01011 539122
The listing fee and custodial fee was paid upto date to the Stock Exchanges and Depositories.		

g.	Market Price Data: High, Low, No. of shares traded during each month in last financial year	Month	High Price	Low Price	No. of Shares Traded
		Apr-16	38.60	29.00	101125
		May-16	42.30	29.50	144674
		Jun-16	41.70	26.10	514422
		Jul-16	39.20	27.75	305610
		Aug-16	35.95	28.00	862124
		Sep-16	41.00	29.50	340036
		Oct-16	36.00	30.55	190310
		Nov-16	33.30	22.50	318804
		Dec-16	49.00	29.00	1773285
		Jan-17	40.75	34.00	403809
		Feb-17	39.40	34.00	271578
		Mar-17	47.40	34.50	514447

Bodhtree Consulting Ltd – Monthly High and Low Price Movement:



Performance in comparison to broad based indices of BSE Sensex:

		5001 - 10000	53	2.49	414117	2.29
		10001 and above	80	3.76	16297365	90.31
		Total	2128	100.00	18046167	100.00
I.	Dematerialization of shares and Liquidity	91.99% of the shares have been dematerialized up to 31 st March, 2017. Trading in Equity shares of the Company is permitted only in Dematerialized form.				
m.	Outstanding GDRs/ADRs/warrants or convertible bonds, conversion date and likely impact on the equity	As on 31 March, 2017, there were 2425935 – 0.001% Compulsory Convertible Preference Share existing for conversion to Equity and the last date of exercising conversion is 26 April, 2017 as per SEBI (ICDR) Regulations.				
n.	Employees Stock Options Scheme	The Board in its Meeting held on 14 November, 2016 has approved BCL ESOP-2016 policy to its Employees with 10 Lakh fully paid-up Equity Shares, which were approved by the shareholders in the last Annual General Meeting held on 30 September, 2016. The in-principle approval for the said 10 lakh options was obtained from BSE on 04 January 2017. The Company did not grant any options during F.Y. 2016-17.				
o.	Registered Office and Address for correspondence	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				

For and on behalf of the Board

Place: Hyderabad
Date: 11 May, 2017

L N Ramakrishna.
Managing Director
DIN: 03623543

K Rajesh
Director
DIN: 02727491

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

ANNEXURE - VIII

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

To,
**The Members,
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 **31st March, 2017** 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 31st March, 2017 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. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST);
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR) and amendments from time to time;
 - (e) The Securities and Exchange Board of India Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

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;

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

4. We have also examined compliance with the applicable clauses of the following and report that:

- (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. 1st July, 2015 under the provisions of section 118(10) of the Act.

During the period under review, the Company has complied with the provisions of the Companies Act, Rules, Secretarial Standards, etc. mentioned above *except that* :

- i) *In case of filing of few forms/ returns with delay by paying additional amount.*

5. **During the Period under review:**

- i) Mr. Ramakrishna Lakkimsetti Naga appointed as Managing Director for a period of three years with effect from 01 December, 2016 with revision in salary, was approved by shareholders by way of Postal Ballot result declared on 03 January, 2017.
- ii) Mrs. L. Muneashwari who was co-opted as Additional Director w.e.f. 14th November, 2015 was appointed as Non-executive Director and the same was ratified by shareholders at their 34th AGM held on 30th September, 2016.
- iii) Mr. Kommineni Srinivasa Rao has been co-opted as an Additional Director w.e.f 14th November, 2016.
- iv) Mr. Nimmagadda Sriram resigned from the office of Directorship w.e.f. 02nd November, 2016 and consequently the Committees of the Board were re-constituted w.e.f. 04th November, 2016.

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 is in place 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 events 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. Shareholders of the Company approved the following resolutions at their Annual General Meeting held on 30th September, 2016 other than ordinary business:
 - a) Mrs Lakkimsetti Muneashwari (DIN. 07219454) as a Director.
 - b) Approval for Related Party Transactions.
 - c) Approval for Employee Stock Options Plan 2016.
 - d) Approval U/s180(c) of the Companies Act, 2013
 - e) Approval U/s180(a) of the Companies Act, 2013
 - f) Approval for Further Issuance of Securities.
 - g) 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.
2. 6,25,000 – 0.001% Compulsory Convertible Preference Shares were converted into 5,00,000 Equity shares of face value of Rs. 10/- each at a price of Rs. 40/- each per share on 30 May, 2016 and the remaining 24,25,935 – 0.001% CCPS are pending for the conversion.

We further report that during the year under review summons for personnel hearing under Section 13, 16(1) & 36(1) of FEMA, 1999 was received during the year under review from the office of Joint Director, Enforcement Directorate, Hyderabad Zonal Office dated 02.12.2016 and 17.03.2017 in the matter of non-submission of Annual Performance Report on Overseas Direct Investment made by the Company in the erstwhile Joint Ventures M/s. Perigon LLC., USA and M/s. Many Futures Inc., USA. We were informed that the Company is in the process of filing Compounding Application for delay in filing of annual performance reports.

Place: Hyderabad
Date: 11.05.2017

For P.S. Rao & Associates
Company Secretaries

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.

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: 11.05.2017

P.S. RAO
Company Secretary
ACS No: 9769
C P No: 3829

ANNEXURE – IX

Disclosure pursuant to Section 62 of the Companies Act, 2013 read with rules made there under and SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options.

Sl. No	Particulars	Details
1	Date of Shareholders Approval	30 September, 2016
2	Total number of options to be granted	10,00,000
3	Vesting requirements	<ul style="list-style-type: none"> - 50% of Granted Options on completion of 1 year from the date of Grant. - 50% of Granted Options on completion of 2 years from the date of Grant.
4	The pricing formula/Exercise Price	Fair Value and the options will be granted at the price decided by the Nomination and Remuneration Committee at the time of granting options [exercise price].
5	Maximum term of Options granted	5 years
6	Options vested up to 31 March 2017	Nil
7	Options exercise up to 31 March 2017	Nil
8	Options lapsed up to 31 March 2017	Nil
9	Total number of shares arising as a result of exercise of options.	Exercise of Options not yet commenced.
10	Variations of terms of Options	Nil
11	Details of Options granted to Key Managerial Personnel	Options yet to be granted as on 31 March, 2017.
12	Total number of Options in force as at 31 March 2017.	10,00,000
13	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year.	Nil
14	Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital [excluding outstanding warrants and conversions] of the company at the time of the grant.	Nil
15	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Accounting Standard [AS-20]	There were no shares exercised during the year and Diluted Earnings Per Share is Rs. 1.31.
16	Where the company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	The Company will calculate employee compensation cost using the Fair value.
17	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock.	N/A.

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, 2017, as stipulated in 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 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

Place: Hyderabad

Date: 11 May, 2017

T.N.V.Visweswara Rao

Partner

Membership No: 204084

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, 2017 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: 11.05.2017

L N Ramakrishna
Managing Director
DIN. 03623543

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 2016-2017.

Place: Hyderabad
Date: 11.05.2017

L N Ramakrishna
Managing Director
DIN. 03623543

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, 2017, 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, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

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

T.N.V.Visweswara Rao
Partner
(Membership No. 204084)

Place: Hyderabad
Date: 11/05/2017

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, 2017, we report that:

- (l) (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.
- (ii) Since the company does not have inventory Clauses (ii) are not applicable.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) (a) According to the records of the company, the company is regular in depositing the undisputed statutory dues of Employee State Insurance and Professional Tax, however, the company has not deposited undisputed statutory dues of provident fund, income-tax, service tax, value added tax and central sales tax with the appropriate authorities. The arrears of statutory dues as at March 31, 2017 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	1,89,24,817
2.	Service Tax	18,11,302
3.	Provident Fund	2,34,77,222
4.	Value Added Tax	16,64,943
5.	Central Sales Tax	4,64,032

- (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)

Place: Hyderabad
Date: 11/05/2017

T.N.V.Visweswara Rao
Partner (Membership
No. 204084)

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, 2017 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, 2017, 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)

Place: Hyderabad
Date: 11/05/2017

T.N.V.Visweswara Rao
Partner
(Membership No. 204084)

Block A, Wing 2, Level 6, Cyber Gateway, Madhapur, Hyderabad

BALANCE SHEET AS AT 31ST MARCH 2017

		Amount in Rs.	
Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016
I. EQUITY AND LIABILITIES:-			
(1) Shareholder's Funds			
(a) Share Capital	2	204,721,050	205,971,050
(b) Reserves and Surplus	3	192,313,129	175,249,807
		397,034,179	381,220,857
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	31,833,347	23,638,665
(c) Long Term Provisions	5	4,352,245	3,589,696
		36,185,592	27,228,361
(3) Current Liabilities			
(a) Short-Term Borrowings	6	45,308,534	82,583,573
(b) Trade Payables	7	150,304,258	42,667,330
(c) Other Current Liabilities	8	266,191,885	117,879,856
(d) Short-Term Provisions	9	13,528,728	2,803,150
		475,333,405	245,933,909
Total Equity & Liabilities		908,553,176	654,383,127
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		38,974,142	45,006,242
(ii) Intangible Assets		99,047,473	948,880
(ii) Intangible Asset Under Development		76,943,237	97,274,988
		214,964,852	143,230,110
(b) Non-Current investments	11	72,387,409	72,387,409
(b) Deferred Tax Asset	12	9,253,240	12,717,494
(c) Long term Loans and Advances	13	57,138,532	50,217,792
		353,744,033	278,552,805
(2) Current Assets			
(a) Trade receivables	14	381,567,049	244,319,352
(b) Cash and cash equivalents	15	35,832,734	22,375,102
(c) Short-term loans and advances	16	72,734,756	56,008,080
(d) Other Current Assets	17	64,674,604	53,127,788
		554,809,143	375,830,322
Total Assets		908,553,176	654,383,127
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		For Bodhtree Consulting Limited CIN: L74140TG1982PLC040516	
T.N.V.Visweswara Rao Partner M.No. 204084		L. N.Ramakrishna MANAGING DIRECTOR DIN: 03623543	K. Rajesh DIRECTOR DIN: 02727491
		K.Prabhakar Rao CHIEF FINANCIAL OFFICER	K.Srikanth Reddy COMPANY SECRETARY
Place: Hyderabad Date: 11/05/2017		Place: Hyderabad Date: 11/05/2017	

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

			Amount in Rs.	
	Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	Revenue from operations	18	787,616,390	462,137,180
	Other Income	19	8,707,353	15,071,533
	Total Revenue - (A)		796,323,743	477,208,713
	Expenses:			
	Work Execution expenses	20	507,413,894	178,225,767
	Employee Benefits Expense	21	160,681,377	177,335,668
	Finance Costs	22	13,117,193	14,896,408
	Depreciation and Amortization Expense	10	12,038,888	12,709,940
	Other Expenses	23	60,016,136	81,219,794
	Total Expenses - (B)		753,267,488	464,387,577
	Profit before exceptional and extraordinary items and tax - (A) -(B)		43,056,255	12,821,136
	Profit Before Tax		43,056,255	12,821,136
	Tax expense:			
	(a) Current Tax		8,778,675	2,736,236
	(Less):- Mat Credit / Reversal		226,975	(2,736,236)
	(b) Taxes of Earlier Years		3,912,596	-
	(c) Deferred Tax - Liability / (Asset)		3,464,254	(4,887,855)
	Profit/(Loss) for the Year		26,673,755	17,708,992
	Earning per equity share:			
	(a) Basic	24	1.48	1.01
	(b) Diluted		1.31	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

For Bodhtree Consulting Limited
CIN: L74140TG1982PLC040516

T.N.V.Visweswara Rao
Partner
M.No. 204084

L. N.Ramakrishna
MANAGING DIRECTOR
DIN: 03623543

K. Rajesh
DIRECTOR
DIN: 02727491

K.Prabhakar Rao
CHIEF FINANCIAL OFFICER

K.Srikanth Reddy
COMPANY SECRETARY

Place: Hyderabad
Date: 11/05/2017

Place: Hyderabad
Date: 11/05/2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Amount in Rs.)

PARTICULARS		2016-17		2015-16
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Taxation		43,056,255		12,821,136
Adjustment for:				
Depreciation	12,038,888		12,709,940	
Finance Costs	13,117,193		14,896,408	
Interest received	(2,027,008)		(3,016,683)	
Provision for Gratuity	2,328,693		1,068,680	
Provision for Leave Encashment	734,857		731,936	
Liabilities no longer required to be paid	(3,975,001)		(24,625)	
Payment to Employees no longer required to be paid	(80,515)		(155,973)	
Advances from Customers no longer required to be paid	-		(15,935)	
Unrealised exchange loss/(profit)	577,269		(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	(393,766)		-	
		22,320,609		24,328,338
Operating profit before working capital changes		65,376,864		37,149,474
Adjustment for change in Working Capital				
Decrease/(Increase) in Short Term Deposits, Loans & Advances	(16,726,676)		1,556,406	
Decrease/(Increase) in Long Term Deposits, Loans & Advances	(423,000)		(1,755,000)	
Increase/ (Decrease) in Trade Payables	111,611,930		9,086,996	
Increase/ (Decrease) in Current Liabilities	148,124,134		7,893,133	
Decrease/(Increase) in Trade Receivables	(137,824,966)		(29,804,924)	
Decrease/(Increase) in Other Current Assets	(11,546,816)		1,772,898	
Gratuity Paid	(1,554,980)		(2,240,588)	
Leave Encashment Paid	(880,876)		(1,371,881)	
		90,778,749		(14,862,960)
Cash Generated from Operations		156,155,612		22,286,514
Less:				
Aggregate Direct Taxes paid/(Refund)	19,415,986		(2,590,395)	
		19,415,986		(2,590,395)
Net Cash from Operating Activities		136,739,626		24,876,909
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(6,176,480)		(17,911,853)	
Product Development Cost	(78,593,386)		(97,274,988)	
Investments in Subsidiary	-		(100,000)	
Sale of Fixed Assets	1,390,000		-	
Interest Received on Fixed Deposit	2,027,008		3,339,076	
		(81,352,858)		(111,947,765)
Net Cash used in Investing Activities		(81,352,858)		(111,947,765)
C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Share Capital Including Share Premium	-		97,630,016	
Proceeds from Long term loans	31,577,557		5,440,000	
Repayment of Long term loans	(23,114,461)		(3,004,366)	
Repayment of Short Term Borrowings	(37,275,039)		(8,214,370)	
Bank Balance not considered as cash and cash equivalents (Refer Note: 15)	(11,227,412)		10,196,397	
Finance Costs	(13,117,193)		(14,896,408)	
		(53,156,548)		87,151,269
Net cash generated through financing activities		(53,156,548)		87,151,269
Net Increase/(Decrease) in Cash and equivalents (A+B+C)		2,230,220		80,413
Cash & Cash Equivalents at the Beginning of the Year		158,014		77,601
Cash & Cash Equivalents at the End of the Year		2,388,234		158,014
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:				
		2016-17	2015-16	
Cash and cash equivalents at the end of the year as per cash flow statement		2,388,234	158,014	
Add: In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee		33,444,500	22,217,088	
Cash and cash equivalents at the end of the year as per Note: 15		35,832,734	22,375,102	
As per our attached report of even date				
For Nisar & Kumar		For Bodhtree Consulting Limited		
Chartered Accountants		CIN: L74140TG1982PLC040516		
Firm Reg. No: 127820W				
T.N.V.Visweswara Rao		L. N.Ramakrishna	K. Rajesh	
Partner		MANAGING DIRECTOR	DIRECTOR	
M.No. 204084		DIN: 03623543	DIN: 02727491	
		K.Prabhakar Rao	K.Srikanth Reddy	
		CHIEF FINANCIAL OFFICER	COMPANY SECRETARY	
Place: Hyderabad		Place: Hyderabad		
Date: 11/05/2017		Date: 11/05/2017		

Notes attached to and forming part of standalone Financial Statements for the year ended with March 31, 2017

1.1 Corporate information:

Bodhtree Consulting Limited is an IT and IT Enabling Services (ITES) provider. The company is headquartered in India and provides technology consulting services to various companies and SMEs across the globe. With a primary focus on Cloud CRM and Analytics, Bodhtree provides a range of services including solution design, development, implementation, integration, maintenance and support for customers in the healthcare & life sciences, hi-tech manufacturing, education and government verticals.

1.2 Basis of Preparation:

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), and guidelines issued by the Securities and Exchange Board of India (SEBI).

The Accounting Policies adopted in the preparation of Financials are consistent with those of previous year.

1.3 Significant Accounting Policies

a. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b. Revenue Recognition:

Income from Services, Sale of Licenses and Hardware:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "fixed-price" basis.

Revenue from software services performed on a "time and material" basis is recognized as and when services are performed and/or on the basis of man-days/man hours spent as per terms of the contracts.

The Company also performs work under "fixed-price" arrangements, under which customers are billed, based on completion of specified milestones. Revenue from such arrangements is recognized over the life of the contract using the percentage of completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Unbilled revenue represents amounts recognized based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

Revenues from Annual maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on

the terms of the contracts and also net of applicable indirect taxes.

Revenue from sale of licenses, hardware and other related items are recognized when the significant risk and rewards of ownership and title of the product is transferred to the buyer which generally coincides with acknowledgement of delivery. The value of the sale is net of taxes.

Other income:

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

Dividend income is recognised when the Company's right to receive dividend is established.

c. Fixed assets, intangible assets and capital work-in-progress:

Fixed Assets are stated at actual cost, less accumulated depreciation and net of impairment. Cost includes all expenses incurred to bring the assets to its present location and condition. Subsequent expenses on fixed assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previous announced standards of performances.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed-off are removed from the stated values and the resulting gains and losses are included in the Statement of Profit and Loss.

Asset under installation or under construction/development will be capitalized on completion thereof.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment

d. Depreciation & amortisation:

Depreciation on fixed assets (other than freehold land and Capital Work-in-progress) is provided on a straight-line method over their estimated useful lives at the rates as prescribed under Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Amortisation on softwares is provided on a straight-line method over their estimated useful lives of 3 years. Amortisation is charged on pro-rata basis from the date of capitalisation.

e. Impairment of assets:

At each balance sheet date, the Management reviews the carrying amounts of its assets to determine whether there is any indication those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

f. Investments:

Investments are either classified as current or long-term based on their nature/holding period/ Management's intent at the time of making the investment. Current investments are carried at the lower of cost and fair value.

Long-term investments are carried at cost less provision made to recognise any diminution, other than temporary, in the value of such investment. Cost of investments include acquisition charges such as brokerage, fees and duties. Provision is made to recognise any reduction in the carrying value of long-term investments and any reversal of such reduction is credited to the Statement of Profit and Loss.

g. Foreign currency transactions/translations:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as so far as they relate to the acquisition of the depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset after the commencement of actual production.

h. Retirement and other Employee benefits:

Employee benefits include provident fund, employee's state insurance scheme, gratuity fund and compensated absences.

Contributions in respect of Employees Provident Fund and Employee State Insurance which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis to the Statement of Profit and Loss.

The Company also provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method.

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as at the balance sheet date.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss.

i. Income Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax resulting from 'timing differences' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on balance sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax asset can be realized. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after setting off of brought forward losses. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The company reviews the same at each balance sheet date and writes 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.

j. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered highly liquid cash bank balances.

k. Provisions:

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l. Earnings Per Share:

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

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

m. Segment Reporting:

The Company is primarily engaged in the business of Software and related products. The primary segment of the company is Software which in the context of Accounting Standard 17 on "Segment Reporting" constitutes reportable segment.

n. Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o. Borrowing costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed out when incurred.

p. Contingent Liabilities:

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 2 Share Capital		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	<u>AUTHORIZED CAPITAL</u>		
	3,10,00,000 Equity Shares of Rs. 10/- each	310,000,000	310,000,000
	60,00,000 Preference Shares of Rs. 10/- each	60,000,000	60,000,000
		370,000,000	370,000,000
	<u>ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL</u>		
	1,80,46,167 Equity Shares of Rs. 10/- each with Voting Rights	180,461,670	175,461,670
	Previous Year :		
	1,75,46,167 Equity Shares of Rs. 10/- each with Voting Rights		
	24,25,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each	24,259,380	30,509,380
	Previous Year :		
	30,50,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each		
	<u>Equity Shares of Rs.10/- each:</u>		
	Shares held by Holding Company (Upto 29/05/2016)		
	Name of Company	2016-17 No.of shares	2015-16 No.of shares
		%	%
	Bodhtree Solutions Inc	80,00,000 44.33	9,000,000 51.29
	Shareholders having more than 5% of the shares		
	Name of Shareholder	2016-17 No.of shares	2015-16 No.of shares
		%	%
	1.Bodhtree Solutions Inc	80,00,000 44.33	90,00,000 51.29
	2.Sanjiv Gupta	21,34,500 11.83	21,34,500 12.17
	Reconciliation of Shares	2016-17	2015-16
	Opening Equity Shares	17,546,167	17,546,167
	Add: Shares Issued during	5,00,000	---
	Closing Equity Shares	18,046,167	17,546,167
	<u>0.001% Compulsorily Convertible Preference Shares of Rs. 10 each</u>		
	Shareholders having more than 5% of the shares		
	Name of Shareholder	2016-17 No.of shares	2015-16 No.of shares
		%	%
	1.Prameya World Wide Pte Ltd	2,425,938 100	2,425,938 79.51
	2.Kepler Information Systems Ltd	Nil Nil	6,25,000 20.49
	Reconciliation of Shares	2016-17	2015-16
	Opening Shares	3,050,938	---
	Add: Shares Issued during	Nil	3,050,938
	Less: Shares Converted during the year	625,000	---
	Closing Shares	2,425,938	3,050,938
		204,721,050	205,971,050
	<u>Details of Shares Issued for Consideration Other than Cash:-</u>		
	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.	-	-
	Total	204,721,050	205,971,050

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) issued during the year 2015-16 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, 2017

Note : 3 Reserves & Surplus		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Securities Premium		
	Opening balance	130,945,975	63,825,339
	Add : Premium on issue of Equity Shares during the year	15,000,000	67,120,636
	Less : Premium on conversion of CCPS issued	13,750,000	-
		132,195,975	130,945,975
	General Reserve		
	Balance as per last Balance Sheet	5,000,000	5,000,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	Balance at the beginning of the year	39,303,832	21,594,840
	Add: Profit / (Loss) for the year	26,673,755	17,708,992
	Less: Proposed Dividend	9,023,467	-
	Less: Provision for Dividend Distribution Tax	1,836,966	-
		55,117,154	39,303,832
	Total	192,313,129	175,249,807

Note : 4 Long Term Borrowings		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Secured Loans		
	- From Banks		
	Vehicle Loans	3,663,660	6,278,978
	Less: Current Maturities of Long term Debt(#)	(2,665,273)	(2,615,314)
		998,387	3,663,664
	- From Others		
	Vehicle Loans	3,847,585	262,863
	Less: Current Maturities of Long term Debt(#)	(481,318)	(262,863)
		3,366,267	(0)
	Total Secured Loans	4,364,654	3,663,664
	Unsecured Loans		
	- From Others	-	19,975,001
	- From Related Parties	27,468,693	-
	Total Unsecured Loans	27,468,693	19,975,001
	Total	31,833,347	23,638,665

Notes:

Secured Loans

Loan From Banks and Others

- 1 Secured by the hypothecation of vehicles
- 2 Loan amount is repayable within 3 years and 5 years

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 5 Long Term Provisions		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Provision for Employee Benefit		
	Gratuity	4,254,741	3,495,466
	Compensated Absences	97,504	94,230
	Total	4,352,245	3,589,696

Note : 6 Short Term Borrowings		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Secured Loans - Refer Note		
	Cash Credit facility from a Bank	42,931,734	73,833,573
	Unsecured		
	Loan from a Related Party	2,376,800	8,750,000
	Total	45,308,534	82,583,573

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.

Note : 7 Trade Payables		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Trade Payables other than Acceptances:		
	Dues to micro enterprises and small enterprises	-	-
	Others	150,304,258	42,667,330
	Total	150,304,258	42,667,330

Note : 8 Other Current Liabilities		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Current Maturities of Long Term Debt (#)	3,146,588	2,878,177
	Advance From Customers	2,412,154	10,592,134
	Other Advances	6,000,000	-
	Provision for Expenses	114,251,604	13,786,088
	Statutory Liabilities	88,360,916	53,387,645
	Provision for Interest on Statutory Liabilities	34,764,189	29,362,763
	Payable to Employees	17,256,434	7,873,049
	Total	266,191,885	117,879,856

Note : 9 Short Term Provisions		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Gratuity	185,314	170,876
	Compensated Absences	2,482,981	2,632,274
	Proposed Dividend (including Dividend Distribution Tax)	10,860,433	-
	Total	13,528,728	2,803,150

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 11 Non Current Investment		Amount in Rs.			
	Particulars		As At 31st March, 2017		As At 31st March, 2016
	Investment in Equity Instruments				
	<i>Trade</i>				
	<i>Unquoted</i>				
	<i>Investment in Subsidiary</i>				
	Bodhtree Human Capital Private Limited 10,000 Equity Shares of Rs.10 each		100,000		100,000
	<i>Investments in Associates</i>				
	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
	<i>Others</i>				
	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
	<i>Quoted</i>				
	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
	Total		72,387,409		72,387,409

Note:

	As At 31st March, 2017	As At 31st March, 2016
Aggregate amount of Unquoted Investments (Net of Provision)	72,372,409	72,372,409
Aggregate amount of quoted Investments (Net of Provision) (Market Value Rs.10,00,000 (P.Y. Rs.9,45,000))	15,000	15,000

Note : 12 Deferred Tax Asset / (Liabilities)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	On account of difference between depreciation as per books and Income Tax	(8,673,252)	306,450
	On account of timing differences	17,926,492	12,411,044
	Total	9,253,240	12,717,494

Note : 13 Long Term Loans and Advances (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Security Deposits	15,571,467	15,148,467
	Advance Tax (Net)	39,057,804	32,333,089
	Mat Credit Entitlement	2,509,261	2,736,236
	Total	57,138,532	50,217,792

Note : 14 Trade Receivables (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Outstanding for more than six months from the date they become due	90,025,522	127,584,018
	Others	291,541,527	116,735,334
	Total	381,567,049	244,319,352

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note : 15 Cash & Cash Equivalent		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Cash on Hand	473,510	518
	Balances with Banks -In Current Accounts with Banks	1,914,724	157,496
	Sub Total (A)	2,388,234	158,014
	Other Bank Balances		
	In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee	33,444,500	22,217,088
	Sub Total (B)	33,444,500	22,217,088
	Total [A + B]	35,832,734	22,375,102
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	2,388,234	158,014

Note :16 Short Terms Loans and Advances (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Advances to related parties	33,990,706	33,988,643
	Advance to Suppliers	17,224,294	4,017,088
	Deposits	4,133,596	12,091,596
	Advances to employees	2,896,866	1,852,576
	Prepaid Expenses	2,841,430	330,684
	Others	11,647,864	3,727,492
	Total	72,734,756	56,008,080

Note : 17 Other Current Assets		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Unbilled Revenue	64,674,604	52,164,060
	Interest Accrued on Fixed Deposits	-	963,728
	Total	64,674,604	53,127,788

Notes Forming Integral Part of the Statement of Profit And Loss for the year ended 31st March, 2017

Note : 18 Revenue from Operations		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Export Sales		
	Projects - Consultancy Services	131,748,909	220,175,671
	Projects - Off Shore	34,866,953	54,752,624
	Referral Fees	6,084,873	723,753
		172,700,735	275,652,047
	Domestic Sales		
	Consultancy Services	9,601,045	5,662,762
	Projects - Offsite	15,176,953	7,913,404
	Projects - Onsite Consultancy Services	343,377,838	160,485,326
	Sale of Licences & Others (including devices)	246,759,819	12,423,640
		614,915,655	186,485,133
	Total	787,616,390	462,137,179

Note : 19 Other Income		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Exchange Fluctuation Gain (Net of Loss)	-	8,247,969
	Interest on Fixed Deposits with Bank	2,027,008	3,016,683
	Misc. Income	41,613	45,046
	Liabilities no Longer required to be paid Written Back	4,055,516	196,533
	Interest on Income Tax Refund	2,189,450	3,565,302
	Profit on sale of fixed assets	393,766	-
	Total	8,707,353	15,071,533

Notes Forming Integral Part of the Statement of Profit And Loss for the year ended 31st March, 2017

Note : 20 Work Execution Expenses		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Cost of SF / CRM Licenses / Others - (Resale / Own Use)	254,313,743	30,273,928
	Software - Technical Fee	253,100,151	147,951,839
	Total	507,413,894	178,225,767

Note : 21 Employee Benefit Expenses		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Salaries and Allowances	143,825,174	162,228,125
	Directors Remuneration	3,932,636	3,000,000
	Contribution to Provident Fund & others	10,270,946	9,797,109
	Staff Welfare	2,652,621	2,310,434
	Total	160,681,377	177,335,668

Note :22 Finance Costs		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Interest on Bank Overdraft	-	3,236,680
	Interest on Vehicle Loans	725,997	723,625
	Interest on Cash Credit from Bank	9,843,606	9,382,899
	Bank & Other Finance Charges	2,547,590	1,553,204
	Total	13,117,193	14,896,408

Note : 23 Other Expenses		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Director's Sitting Fee	159,000	177,000
	Insurance	1,557,529	1,840,877
	Printing & Stationery	244,825	223,755
	Rent, Rates & Taxes	13,755,133	14,546,062
	Communication Expenses	2,780,104	3,251,799
	Travelling Expenses	8,299,355	15,758,837
	Business Promotion Expenses	954,866	388,607
	Electricity & Water Charges	3,613,859	4,945,569
	Professional & Consultancy Charges	6,407,182	18,781,661
	Remuneration to Auditors (Refer Note No.32)	623,530	595,000
	Recruitment & Training Expenses	1,772,395	1,072,575
	Repairs & Maintenance	6,245,281	6,404,944
	Trade Receivables and Loans and advances written off	-	738,859
	Prior Period Expenses	-	1,234,034
	Foreign Exchange Variation Loss - Net	577,269	-
	Interest on Delayed Payment of Statutory Dues	12,035,040	9,930,718
	Miscellaneous Expenses	990,767	1,329,497
	Total	60,016,136	81,219,794

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Note 10

Fixed Assets:

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			Net Block	
		As At 1st April 2016	Additions	Deletions/Adjustments	As at 31st March, 2017	As At 1st April 2016	For the Year	Deletions/Adjustments	As at 31st March, 2017
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(1) Tangible Assets									
1	Computer - Hardware	46,507,535	717,502	-	47,225,037	38,107,813	3,387,615	-	41,495,428
2	AC's/UPS/Stabilisers	9,450,392	-	-	9,450,392	3,043,542	1,828,757	-	4,872,299
3	Electrical Items	4,080,861	-	-	4,080,861	883,830	398,256	-	1,282,086
4	Office Equipment	4,620,323	-	-	4,620,323	2,882,558	573,394	-	3,455,952
5	Audio & Video Systems	197,000	-	-	197,000	179,617	14,218	-	193,835
6	Furniture & Fixtures	16,176,732	-	-	16,176,732	5,297,975	1,780,625	-	7,078,600
7	Vehicles	24,384,237	5,458,978	2,887,125	26,956,090	10,015,504	3,229,479	1,890,891	11,354,092
	Total	105,417,081	6,176,480	2,887,125	108,706,435	60,410,839	11,212,344	1,890,891	69,732,293
(2) Intangible Assets									
1	Computer - Software	15,758,073	-	-	15,758,073	14,809,193	740,710	-	15,549,903
2	Developed Software Product	-	98,925,137	-	98,925,137	-	85,834	-	85,834
	Total	15,758,073	98,925,137	-	114,683,210	14,809,193	826,544	-	15,635,737
	Grand Total	121,175,154	105,101,617	2,887,125	223,389,645	75,220,033	12,038,888	1,890,891	85,368,030
	Previous Year	103,263,301	17,911,853	-	121,175,154	62,510,093	12,709,940	-	75,220,033
(3) Intangible Assets under Development		97,274,988	78,593,386	98,925,137	76,943,237				

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 attached to and forming part of Financial Statements for the year ended March 31, 2017

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, 2017	For the Year ended March 31, 2016
Earnings for calculating the Earnings per share (Rs.)	26,673,755	17,708,992
Earnings for calculating Diluted Earnings per share (Rs.)	26,673,755	17,708,992
Weighted average number of equity shares (For Basic EPS)	17,965,345	17,546,167
Weighted average number of equity shares (For Diluted EPS)	20,391,283	18,854,903
Basic Earning per share	1.48	1.01
Diluted Earning per share	1.31	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.61,49,15,655/- and export Rs. 17,27,00,735/- (P.Y. Inland Rs. 18,64,85,132/- and export Rs.27,56,52,048/-).

Note: 27

Contingent Liabilities

Particulars	As at 31-03-2017	As at 31-03-2016
	Rs.	Rs.
Bank Guarantees	13,275,550	3,367,120
Dividend on 0.001% of Cumulative Convertible Redeemable Preference shares	-	131
Total	13,275,550	3,367,251

Note: 28

Earnings in Foreign Exchange

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
	Rs.	Rs.
FOB Value of Exports (Services)	172,700,735	275,652,047
Total	172,700,735	275,652,047

Note: 29

Expenditure in Foreign Exchange

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
	Rs.	Rs.
Purchase of Licences	19,762,270	7,549,720
Travelling , Conveyance & Other Expenditure	3,723,579	9,629,367
Total	23,485,849	17,179,087

Note: 30

Unhedged Foreign Currency Exposure

Particulars	Foreign Currency	As at 31-03-2017	As at 31-03-2016
Trade Receivables	USD	919,498	1,854,474
	(In Rs.)	59,261,643	122,246,954
	SGD	135,171	41,743
	(In Rs.)	6,211,104	2,030,796
	EURO	3,911	3,910
	(In Rs.)	267,808	289,962
Advances from Trade Receivables	USD	126	86,494
	(In Rs.)	8,119	5,701,696
Trade Payables	USD	208,781	39,883
	(In Rs.)	13,455,963	2,629,087

Note : 31

Details of Specified Bank Notes Held and Transacted

Description	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	962500	554	963,054
(+) Permitted receipts	0	470,000	470,000
(-) Permitted payments	0	432,748	432,748
(-) Amount deposited in Banks	962500	-	962,500
Closing cash in hand as on 30.12.2016	0	37,806	37,806

Note: 32

Payments to Auditors

Particulars	2016-17	2015-16
Statutory Audit Fee	350,000	350,000
Tax Audit Fee	200,000	200,000
Audit Fee for Consolidation of Accounts	25,000	25,000
Certification Fee	20,000	20,000
Out of pocket expenses reimbursed	28,530	-
Total	623,530	595,000

(Net of Service Tax)

Note: 33

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	
	2017	2016
Projected benefit obligation at the beginning of the year	3,666,342	4,838,250
Current service cost	539,095	451,086
Interest Cost	293,307	387,060
Actuarial loss / (gain)	1,496,291	230,534
Benefits paid	(1,554,980)	(2,240,588)
Projected benefit obligation at the end of the year	4,440,055	3,666,342
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	4,440,055	3,666,342
Liability recognized in the balance sheet	4,440,055	3,666,342
Cost for the period		
Current service cost	539,095	451,086
Interest cost	293,307	387,060
Expected return on plan assets	-	-
Net actuarial loss recognized in the period	1,496,291	230,534
Net cost recognized in the statement of profit and loss*	2,328,693	1,068,680
Assumptions		
Discount rate	8.00%	8.00%
Expected rate of salary increases	5.00%	5.00%
Employee attrition rate	7.12%	7.55%

- (ii) In respect of Defined contribution plan (Provident Fund), an amount of Rs.6,801,424 (31 March 2016: Rs.7,694,433) has been recognised in the Statement of Profit and Loss.

Note: 34

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: 35

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. 1,16,17,559 (previous year: Rs. 1,22,92,454). 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 2017.

Notes attached to and forming part of Financial Statements for the year ended March 31, 2017

Note: 36

Related Party Disclosures

Holding Company	: Bodhtree Solutions Inc (Upto 29/05/2016)
Subsidiary Company	: Bodhtree Human Capital Pvt Limited
Fellow Subsidiaries	: Bodhtree Solutions Pte Limited (Upto 29/05/2016) Bodhtree Consulting Pte Limited (Upto 29/05/2016)
Associate Company	: Pressmart Media Limited Learnsmart (India) Private Limited
Key Management Personnel	: Mr. L.N.Ramakrishna, Managing Director
Enterprises controlled or significantly influenced by individual / relatives:	: Kepler Information Systems Pvt Ltd Sreeven Infocom Ltd

Transactions with Related Parties

Particulars	2016-17	2015-16
	Rs.	Rs.
Sales/Rendering Services		
- Bodhtree Consulting LLC	3,737,250	-
- Bodhtree Technologies PTE LTD	7,590,986	-
- Bodhtree Solutions Inc	28,467,204	137,220,887
- Bodhtree Solutions PTE Ltd.	113,816	49,150
Purchases/Availing Services		
- Kepler Information Systems Pvt Ltd	-	5,241,948
- Sreeven Infocom Ltd	1,600,000	3,103,846
Remuneration to Key Managerial Persons		
- L.N. Ramakrishna - Managing Director	3,932,636	3,000,000
- K. Prabhakar Rao - Chief Financial Officer	1,322,688	1,211,404
Reimbursement of Expenses		
- Bodhtree Solutions Inc	-	1,749,736
Loans Received		
- Kepler Information Systems Pvt Ltd	27,468,693	-
Advances Given		
- Bodhtree Human Capital Private Limited	2,063	10,000
Balances outstanding at the end of the year		
Debit Balances	53,448,999	63,663,522
Credit Balances	29,845,493	8,750,000
Investments	72,249,710	72,249,710

Note: 37

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

T.N.V.Visweswara Rao
Partner
M.No. 204084

Place: Hyderabad
Date: 11/05/2017

For Bodhtree Consulting Limited
CIN: L74140TG1982PLC040516

L. N.Ramakrishna
MANAGING DIRECTOR
DIN: 03623543

K.Prabhakar Rao
CHIEF FINANCIAL OFFICER

Place: Hyderabad
Date: 11/05/2017

K. Rajesh
DIRECTOR
DIN: 02727491

K.Srikanth Reddy
COMPANY SECRETARY

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, 2017, 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.

The consolidations of Financial Accounts are applicable to the company for the first time during the Financial Year 2015-16. The company is holding investments in the aforesaid companies are termed as Associate companies. The financial statements for these companies for the financial years 2015-16 & 2016-17 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, 2017, 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, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2017 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.
- iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

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

T.N.V.Visweswara Rao
Partner
(Membership No. 204084)

Place: Hyderabad
Date: 11/05/2017

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, 2017 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, 2017, 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)

Place: Hyderabad
Date: 11/05/2017

T.N.V.Visweswara Rao
Partner
(Membership No. 204084)

Block A, Wing 2, Level 6, Cyber Gateway, Madhapur, Hyderabad

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

		Amount in Rs.	
Particulars	Note No.	As At 31st March, 2017	As At 31st March, 2016
I. EQUITY AND LIABILITIES:-			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	2	204,721,050	205,971,050
(b) Reserves and Surplus	3	192,231,021	175,198,512
		396,952,071	381,169,562
<u>(2) Non-Current Liabilities</u>			
(a) Long-Term Borrowings	4	31,833,347	23,638,665
(c) Long Term Provisions	5	4,352,245	3,589,696
		36,185,592	27,228,361
<u>(3) Current Liabilities</u>			
(a) Short-Term Borrowings	6	45,308,534	82,583,573
(b) Trade Payables	7	150,374,303	42,708,625
(c) Other Current Liabilities	8	266,191,885	117,879,856
(d) Short-Term Provisions	9	13,528,728	2,803,150
		475,403,450	245,975,204
Total Equity & Liabilities		908,541,113	654,373,127
II. ASSETS			
<u>(1) Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
(i) Tangible Assets	10	38,974,142	45,006,242
(ii) Intangible Assets		99,047,473	948,880
(ii) Intangible Asset Under Development		76,943,237	97,274,988
		214,964,852	143,230,110
(b) Non-Current investments	11	72,287,409	72,287,409
(b) Deferred Tax Asset	12	9,253,240	12,717,494
(c) Long term Loans and Advances	13	57,138,532	50,217,792
		353,644,033	278,452,805
<u>(2) Current Assets</u>			
(a) Trade receivables	14	381,567,049	244,319,352
(b) Cash and cash equivalents	15	35,932,734	22,475,102
(c) Short-term loans and advances	16	72,722,693	55,998,079
(d) Other Current Assets	17	64,674,604	53,127,788
		554,897,080	375,920,322
Total Assets		908,541,113	654,373,127
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		For Bodhtree Consulting Limited CIN: L74140TG1982PLC040516	
T.N.V.Visweswara Rao Partner M.No. 204084		L. N.Ramakrishna MANAGING DIRECTOR DIN: 03623543	K. Rajesh DIRECTOR DIN: 02727491
		K.Prabhakar Rao CHIEF FINANCIAL OFFICER	K.Srikanth Reddy COMPANY SECRETARY
Place: Hyderabad Date: 11/05/2017		Place: Hyderabad Date: 11/05/2017	

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

			Amount in Rs.	
	Particulars	Note No.	Year Ended 31st March, 2017	Year Ended 31st March, 2016
	Revenue from operations	18	787,616,390	462,137,180
	Other Income	19	8,707,353	15,071,533
	Total Revenue - (A)		796,323,743	477,208,713
	Expenses:			
	Work Execution expenses	20	507,413,894	178,225,767
	Employee Benefits Expense	21	160,681,377	177,335,668
	Finance Costs	22	13,117,193	14,896,408
	Depreciation and Amortization Expense	10	12,038,888	12,709,940
	Other Expenses	23	60,046,949	81,271,089
	Total Expenses - (B)		753,298,301	464,438,872
	Profit before exceptional and extraordinary items and tax - (A) -(B)		43,025,442	12,769,841
	Profit Before Tax		43,025,442	12,769,841
	Tax expense:			
	(a) Current Tax		8,778,675	2,736,236
	(Less):- Mat Credit / Reversal		226,975	(2,736,236)
	(b) Taxes of Earlier Years		3,912,596	-
	(c) Deferred Tax - Liability / (Asset)		3,464,254	(4,887,855)
	Profit/(Loss) for the Year		26,642,942	17,657,697
	Earning per equity share:			
	(a) Basic	24	1.48	1.01
	(b) Diluted		1.31	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

T.N.V.Visweswara Rao
Partner
M.No. 204084

Place: Hyderabad
Date: 11/05/2017

For Bodhtree Consulting Limited
CIN: L74140TG1982PLC040516

L. N.Ramakrishna
MANAGING DIRECTOR
DIN: 03623543

K.Prabhakar Rao
CHIEF FINANCIAL OFFICER

Place: Hyderabad
Date: 11/05/2017

K. Rajesh
DIRECTOR
DIN: 02727491

K.Srikanth Reddy
COMPANY SECRETARY

Cyber Gateway, Madhapur, Hyderabad

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Amount in Rs.)

PARTICULARS		2016-17	(Amount in Rs.)	2015-16
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Taxation		43,025,442		12,769,841
Adjustment for:				
Depreciation	12,038,888		12,709,940	
Finance Costs	13,117,193		14,896,408	
Interest received	(2,027,008)		(3,016,683)	
Provision for Gratuity	2,328,693		1,068,680	
Provision for Leave Encashment	734,857		731,936	
Liabilities no longer required to be paid	(3,975,001)		(24,625)	
Payment to Employees no longer required to be paid	(80,515)		(155,973)	
Advances from Customers no longer required to be paid	-		(15,935)	
Unrealised exchange loss /(profit)	577,269		(3,838,303)	
Bad Debts Written off	-		662,862	
Loans and Advances written off /(Waived)	-		75,997	
Prior Period Items	-		1,234,035	
Loss/ (Profit) on Sale of Asset	(393,766)		-	
		22,320,609		24,328,338
Operating profit before working capital changes		65,346,051		37,098,180
Adjustment for change in Working Capital				
Decrease/(Increase) in Short Term Deposits, Loans & Advances	(16,724,613)		1,566,406	
Decrease/(Increase) in Long Term Deposits, Loans & Advances	(423,000)		(1,755,000)	
Increase/ (Decrease) in Trade Payables	111,640,680		9,128,291	
Increase/ (Decrease) in Current Liabilities	148,124,134		7,893,133	
Decrease/(Increase) in Trade Receivables	(137,824,966)		(29,804,924)	
Decrease/(Increase) in Other Current Assets	(11,546,816)		1,772,898	
Gratuity Paid	(1,554,980)		(2,240,588)	
Leave Encashment Paid	(880,876)		(1,371,881)	
		90,809,561		(14,811,665)
Cash Generated from Operations		156,155,612		22,286,515
Less:				
Aggregate Direct Taxes paid/(Refund)	19,415,986		(2,590,395)	
		19,415,986		(2,590,395)
Net Cash from Operating Activities		136,739,626		24,876,910
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(6,176,480)		(17,911,855)	
Product Development Cost	(78,593,386)		(97,274,988)	
Sale of Fixed Assets	1,390,000		-	
Interest Received on Fixed Deposit	2,027,008		3,339,076	
		(81,352,858)		(111,847,767)
Net Cash used in Investing Activities		(81,352,858)		(111,847,767)
C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Share Capital Including Share Premium	-		97,630,016	
Proceeds from Long term loans	31,577,557		5,440,000	
Repayment of Long term loans	(23,114,461)		(3,004,366)	
Repayment of Short Term Borrowings	(37,275,039)		(8,214,370)	
Bank Balance not considered as cash and cash equivalents (Refer Note: 15)	(11,227,412)		10,196,397	
Finance Costs	(13,117,193)		(14,896,408)	
		(53,156,548)		87,151,270
Net cash generated through financing activities		(53,156,548)		87,151,270
Net Increase/(Decrease) in Cash and equivalents (A+B+C)		2,230,220		180,413
Cash & Cash Equivalents at the Beginning of the Year		258,014		77,601
Cash & Cash Equivalents at the End of the Year		2,488,234		258,014
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:				
		2016-17		2015-16
Cash and cash equivalents at the end of the year as per cash flow statement		2,488,234		258,014
Add: In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee		33,444,500		22,217,088
Cash and cash equivalents at the end of the year as per Note: 15		35,932,734		22,475,102
As per our attached report of even date				
For Nisar & Kumar Chartered Accountants Firm Reg. No: 127820W		For Bodhtree Consulting Limited CIN: L74140TG1982PLC040516		
T.N.V.Visweswara Rao Partner M.No. 204084		L. N.Ramakrishna MANAGING DIRECTOR DIN: 03623543		
		K. Rajesh DIRECTOR DIN: 02727491		
		K.Prabhakar Rao CHIEF FINANCIAL OFFICER		
		K.Srikanth Reddy COMPANY SECRETARY		
Place: Hyderabad Date: 11/05/2017		Place: Hyderabad Date: 11/05/2017		

Notes attached to and forming part of consolidated Financial Statements for the year ended with March 31, 2017

1.1 Corporate information:

Bodhtree Consulting Limited is an IT and IT Enabling Services (ITES) provider. The company is headquartered in India and provides along with its subsidiary, technology consulting services to various companies and SMEs across the globe. With a primary focus on Cloud CRM and Analytics, Bodhtree provides a range of services including solution design, development, implementation, integration, maintenance and support for customers in the healthcare & life sciences, hi-tech manufacturing, education and government verticals.

1.2 Basis of Preparation:

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable), and guidelines issued by the Securities and Exchange Board of India (SEBI).

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries on line by line basis by adding together like items of assets, liabilities, Income and expenses by using uniform accounting policies. The difference between the cost of investment and the Company's portion of equity in subsidiaries, at the date of Investment, is treated as goodwill or capital reserve as a case may be. The interest of minority shareholders is stated at the minority's proportion of the assets and liabilities recognised.

All significant transactions and balances between the company and subsidiaries are eliminated on consolidation.

The Accounting Policies adopted in the preparation of Financials are consistent with those of previous year.

1.3 Significant Accounting Policies

a. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b. Revenue Recognition:

Income from Services, Sale of Licenses and Hardware:

Revenue recognition depends on the arrangements with the customer which are either on "Time and material" or on a "fixed-price" basis.

Revenue from software services performed on a "time and material" basis is recognized as and when services are performed and/or on the basis of man-days/man hours spent as per terms of the contracts.

The Company also performs work under "fixed-price" arrangements, under which customers are billed, based on completion of specified milestones. Revenue from such arrangements is recognized over the life of the contract using the percentage of completion method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses on such engagements is made in the year in which such loss becomes probable and can be reasonably estimated.

Unbilled revenue represents amounts recognized based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses.

Revenues from Annual maintenance contracts are recognised pro-rata over the period of the contract in which the services are rendered.

Reimbursement of expenditure is recognised under revenue along with recognition of sale of service to which it relates.

Revenue is net of volume discounts/price incentives which are estimated and accounted for based on the terms of the contracts and also net of applicable indirect taxes.

Revenue from sale of licenses, hardware and other related items are recognized when the significant risk and rewards of ownership and title of the product is transferred to the buyer which generally coincides with acknowledgement of delivery. The value of the sale is net of taxes.

Other income:

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable in the transaction.

Dividend income is recognised when the Company's right to receive dividend is established.

c. Fixed assets, intangible assets and capital work- in-progress:

Fixed Assets are stated at actual cost, less accumulated depreciation and net of impairment. Cost includes all expenses incurred to bring the assets to its present location and condition. Subsequent expenses on fixed assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previous announced standards of performances.

The cost and the accumulated depreciation for fixed assets sold, retired or otherwise disposed-off are removed from the stated values and the resulting gains and losses are included in the Statement of Profit and Loss.

Asset under installation or under construction/development will be capitalized on completion thereof.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment

d. Depreciation & amortisation:

Depreciation on fixed assets (other than freehold land and Capital Work-in-progress) is provided on a straight-line method over their estimated useful lives at the rates as prescribed under Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Amortisation on softwares is provided on a straight-line method over their estimated useful lives of 3 years. Amortisation is charged on pro-rata basis from the date of capitalisation.

e. Impairment of assets:

At each balance sheet date, the Management reviews the carrying amounts of its assets to determine whether there is any indication those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risk specific to the asset.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods

no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

f. Investments:

Investments are either classified as current or long-term based on their nature/holding period/Management's intent at the time of making the investment. Current investments are carried at the lower of cost and fair value.

Long-term investments are carried at cost less provision made to recognise any diminution, other than temporary, in the value of such investment. Cost of investments include acquisition charges such as brokerage, fees and duties. Provision is made to recognise any reduction in the carrying value of long-term investments and any reversal of such reduction is credited to the Statement of Profit and Loss.

g. Foreign currency transactions/translations:

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items, arising during the year, as so far as they relate to the acquisition of the depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset after the commencement of actual production.

h. Retirement and other Employee benefits:

Employee benefits include provident fund, employee's state insurance scheme, gratuity fund and compensated absences.

Contributions in respect of Employees Provident Fund and Employee State Insurance which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis to the Statement of Profit and Loss.

The Company also provides for other retirement benefits in the form of gratuity. The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method.

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as at the balance sheet date.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss.

i. Income Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax resulting from 'timing differences' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on balance sheet date. The deferred tax asset is recognized only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax asset can be realized. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic

benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after setting off of brought forward losses. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The company reviews the same at each balance sheet date and writes 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.

j. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash and cash equivalents presented in the cash flow statement consist of cash on hand and unencumbered highly liquid cash bank balances.

k. Provisions:

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

l. Earnings Per Share:

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

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

m. Segment Reporting:

The Company is primarily engaged in the business of Software and related products. The primary segment of the company is Software which in the context of Accounting Standard 17 on "Segment Reporting" constitutes reportable segment.

n. Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o. Borrowing costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. Other borrowing costs are expensed out when incurred.

p. Contingent Liabilities:

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2017

Note : 2 Share Capital		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	<u>AUTHORIZED CAPITAL</u>		
	3,10,00,000 Equity Shares of Rs. 10/- each	310,000,000	310,000,000
	60,00,000 Preference Shares of Rs. 10/- each	60,000,000	60,000,000
		370,000,000	370,000,000
	<u>ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL</u>		
	1,80,46,167 Equity Shares of Rs. 10/- each with Voting Rights	180,461,670	175,461,670
	Previous Year :		
	1,75,46,167 Equity Shares of Rs. 10/- each with Voting Rights		
	24,25,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each	24,259,380	30,509,380
	Previous Year :		
	30,50,938 0.001% Compulsorily Convertible Preference Shares of Rs. 10 each		
	<u>Equity Shares of Rs.10/- each:</u>		
	Shares held by Holding Company (Upto 29/05/2016)		
	Name of Company	2016-17 No.of shares	2015-16 No.of shares
	Bodhtree Solutions Inc	80,00,000	9,000,000
		44.33	51.29
	Shareholders having more than 5% of the shares		
	Name of Shareholder	2016-17 No.of shares	2015-16 No.of shares
		%	%
	1.Bodhtree Solutions Inc	80,00,000	90,00,000
		44.33	51.29
	2.Sanjiv Gupta	21,34,500	21,34,500
		11.83	12.17
	Reconciliation of Shares	2016-17	2015-16
	Opening Equity Shares	17,546,167	17,546,167
	Add: Shares Issued during	5,00,000	---
	Closing Equity Shares	18,046,167	17,546,167
	<u>0.001% Compulsorily Convertible Preference Shares of Rs. 10 each</u>		
	Shareholders having more than 5% of the shares		
	Name of Shareholder	2016-17 No.of shares	2015-16 No.of shares
		%	%
	1.Prameya World Wide Pte Ltd	2,425,938	2,425,938
		100	79.51
	2.Kepler Information Systems Ltd	Nil	6,25,000
		Nil	20.49
	Reconciliation of Shares	2016-17	2015-16
	Opening Shares	3,050,938	---
	Add: Shares Issued during	Nil	3,050,938
	Less: Shares Converted during the year	625,000	---
	Closing Shares	2,425,938	3,050,938
		204,721,050	205,971,050
	<u>Details of Shares Issued for Consideration Other than Cash:-</u>		
	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.	-	-
	Total	204,721,050	205,971,050

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) issued during the year 2015-16 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 Consolidated Balance Sheet as at 31st March, 2017

Note : 3 Reserves & Surplus		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Securities Premium		
	Opening balance	130,945,975	63,825,339
	Add : Premium on issue of Equity Shares during the year	15,000,000	67,120,636
	Less : Premium on conversion of CCPS issued	13,750,000	-
		132,195,975	130,945,975
	General Reserve		
	Balance as per last Balance Sheet	5,000,000	5,000,000
	Surplus / (Deficit) in Statement of Profit and Loss		
	Balance at the beginning of the year	39,252,537	21,594,840
	Add: Profit / (Loss) for the year	26,642,942	17,657,697
	Less: Proposed Dividend	9,023,467	-
	Less: Provision for Dividend Distribution Tax	1,836,966	-
		55,035,046	39,252,537
	Total	192,231,021	175,198,512

Note : 4 Long Term Borrowings		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Secured Loans		
	- From Banks		
	Vehicle Loans	3,663,660	6,278,978
	Less: Current Maturities of Long term Debt(#)	(2,665,273)	(2,615,314)
		998,387	3,663,664
	- From Others		
	Vehicle Loans	3,847,585	262,863
	Less: Current Maturities of Long term Debt(#)	(481,318)	(262,863)
		3,366,267	(0)
	Total Secured Loans	4,364,654	3,663,664
	Unsecured Loans		
	- From Others	-	19,975,001
	- From Related Party	27,468,693	-
	Total Unsecured Loans	27,468,693	19,975,001
	Total	31,833,347	23,638,665

Notes:

Secured Loans

Loan From Banks and Others

- 1 Secured by the hypothecation of vehicles
- 2 Loan amount is repayable within 3 years and 5 years

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2017

Note : 5 Long Term Provisions		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Provision for Employee Benefit		
	Gratuity	4,254,741	3,495,466
	Compensated Absences	97,504	94,230
	Total	4,352,245	3,589,696

Note : 6 Short Term Borrowings		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Secured Loans - Refer Note		
	Cash Credit facility from a Bank	42,931,734	73,833,573
	Unsecured		
	Loan from a Related Party	2,376,800	8,750,000
	Total	45,308,534	82,583,573

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.

Note : 7 Trade Payables		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Trade Payables other than Acceptances:		
	Dues to micro enterprises and small enterprises	-	-
	Others	150,374,303	42,708,625
	Total	150,374,303	42,708,625

Note : 8 Other Current Liabilities		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Current Maturities of Long Term Debt (#)	3,146,588	2,878,177
	Advance From Customers	2,412,154	10,592,134
	Other Advances	6,000,000	-
	Provision for Expenses	114,251,604	13,786,088
	Statutory Liabilities	88,360,916	53,387,645
	Provision for Interest on Statutory Liabilities	34,764,189	29,362,763
	Payable to Employees	17,256,434	7,873,049
	Total	266,191,885	117,879,856

Note : 9 Short Term Provisions		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Gratuity	185,314	170,876
	Compensated Absences	2,482,981	2,632,274
	Proposed Dividend (including Dividend Distribution Tax)	10,860,433	-
	Total	13,528,728	2,803,150

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2017

Note : 11 Non Current Investment		Amount in Rs.			
	Particulars		As At 31st March, 2017		As At 31st March, 2016
	Investment in Equity Instruments				
	<u>Trade</u>				
	<u>Unquoted</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	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
	Total		72,287,409		72,287,409

Note:

	As At 31st March, 2017	As At 31st March, 2016
Aggregate amount of Unquoted Investments (Net of Provision)	72,272,409	72,372,409
Aggregate amount of quoted Investments (Net of Provision) (Market Value Rs.10,00,000 (P.Y. Rs.9,45,000))	15,000	15,000

Note : 12 Deferred Tax Asset / (Liabilities)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	On account of difference between depreciation as per books and Income Tax	(8,673,252)	306,450
	On account of timing differences	17,926,492	12,411,044
	Total	9,253,240	12,717,494

Note : 13 Long Term Loans and Advances (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Security Deposits	15,571,467	15,148,467
	Advance Tax (Net)	39,057,804	32,333,089
	Mat Credit Entitlement	2,509,261	2,736,236
	Total	57,138,532	50,217,792

Note : 14 Trade Receivables (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Outstanding for more than six months from the date they become due	90,025,522	127,584,018
	Others	291,541,527	116,735,334
	Total	381,567,049	244,319,352

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2017

Note : 15 Cash & Cash Equivalent		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Cash on Hand	473,510	518
	Balances with Banks		
	-In Current Accounts with Banks	2,014,724	157,496
	Cheque on hand		100,000
	Sub Total (A)	2,488,234	258,014
	Other Bank Balances		
	In Deposit a/c - Held as Security for the Loan and Margin	33,444,500	22,217,088
	Money against Bank Guarantee		
	Sub Total (B)	33,444,500	22,217,088
	Total [A + B]	35,932,734	22,475,102
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	2,488,234	258,014

Note :16 Short Terms Loans and Advances (Unsecured Considered Good)		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Advances to related parties	33,978,643	33,978,643
	Advance to Suppliers	17,224,294	4,017,088
	Deposits	4,133,596	12,091,596
	Advances to employees	2,896,866	1,852,576
	Prepaid Expenses	2,841,430	330,684
	Others	11,647,864	3,727,492
	Total	72,722,693	55,998,079

Note : 17 Other Current Assets		Amount in Rs.	
	Particulars	As At 31st March, 2017	As At 31st March, 2016
	Unbilled Revenue	64,674,604	52,164,060
	Interest Accrued on Fixed Deposits	-	963,728
	Total	64,674,604	53,127,788

Notes Forming Integral Part of the Consolidated Statement of Profit And Loss for the year ended 31st March, 2017

Note : 18 Revenue from Operations		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Export Sales		
	Projects - Consultancy Services	131,748,909	220,175,671
	Projects - Off Shore	34,866,953	54,752,624
	Referral Fees	6,084,873	723,753
		172,700,735	275,652,047
	Domestic Sales		
	Consultancy Services	9,601,045	5,662,762
	Projects - Offsite	15,176,953	7,913,404
	Projects - Onsite Consultancy Services	343,377,838	160,485,326
	Sale of Licences & Others (including devices)	246,759,819	12,423,640
		614,915,655	186,485,133
	Total	787,616,390	462,137,179

Note : 19 Other Income		Amount in Rs.	
Sr. No	Particulars	As At 31-03-2017	As At 31-03-2016
	Exchange Fluctuation Gain (Net of Loss)	-	8,247,969
	Interest on Fixed Deposits with Bank	2,027,008	3,016,683
	Misc. Income	41,613	45,046
	Liabilities no Longer required to be paid Written Back	4,055,516	196,533
	Interest on Income Tax Refund	2,189,450	3,565,302
	Profit on sale of fixed assets	393,766	-
	Total	8,707,353	15,071,533

Notes Forming Integral Part of the Consolidated Statement of Profit And Loss for the year ended 31st March, 2017

Note : 20 Work Execution Expenses		Amount in Rs.	
Sr. No	Particulars	As At	As At
		31-03-2017	31-03-2016
	Cost of SF / CRM Licenses / Others - (Resale / Own Use)	254,313,743	30,273,928
	Software - Technical Fee	253,100,151	147,951,839
	Total	507,413,894	178,225,767

Note : 21 Employee Benefit Expenses		Amount in Rs.	
Sr. No	Particulars	As At	As At
		31-03-2017	31-03-2016
	Salaries and Allowances	143,825,174	162,228,125
	Directors Remuneration	3,932,636	3,000,000
	Contribution to Provident Fund & others	10,270,946	9,797,109
	Staff Welfare	2,652,621	2,310,434
	Total	160,681,377	177,335,668

Note :22 Finance Costs		Amount in Rs.	
Sr. No	Particulars	As At	As At
		31-03-2017	31-03-2016
	Interest on Bank Overdraft	-	3,236,680
	Interest on Vehicle Loans	725,997	723,625
	Interest on Cash Credit from Bank	9,843,606	9,382,899
	Bank & Other Finance Charges	2,547,590	1,553,204
	Total	13,117,193	14,896,408

Note : 23 Other Expenses		Amount in Rs.	
Sr. No	Particulars	As At	As At
		31-03-2017	31-03-2016
	Director's Sitting Fee	159,000	177,000
	Insurance	1,557,529	1,840,877
	Printing & Stationery	244,825	223,755
	Rent, Rates & Taxes	13,755,133	14,546,062
	Communication Expenses	2,780,104	3,251,799
	Travelling Expenses	8,299,355	15,758,837
	Business Promotion Expenses	954,866	388,607
	Electricity & Water Charges	3,613,859	4,945,569
	Professional & Consultancy Charges	6,407,182	18,781,661
	Remuneration to Auditors (Refer Note No.32)	652,280	623,625
	Recruitment & Training Expenses	1,772,395	1,072,575
	Repairs & Maintenance	6,245,281	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
	Foreign Exchange Variation Loss - Net	577,269	-
	Interest on Delayed Payment of Statutory Dues	12,035,040	9,930,718
	Miscellaneous Expenses	992,830	1,329,497
	Total	60,046,949	81,271,089

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2017

Note 10Fixed Assets:

		GROSS BLOCK				DEPRECIATION				Net Block	
		As At 1st April 2016	Additions	Deletions/Adjustments	As at 31st March, 2017	As At 1st April 2016	For the Year	Deletions/Adjustments	As at 31st March, 2017	As At Mar 2017	As At Mar 2016
S.No.	PARTICULARS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(1) Tangible Assets											
1	Computer - Hardware	46,507,535	717,502	-	47,225,037	38,107,813	3,387,615	-	41,495,428	5,729,609	8,399,722
2	AC's/UPS/Stabilisers	9,450,392	-	-	9,450,392	3,043,542	1,828,757	-	4,872,299	4,578,093	6,406,850
3	Electrical Items	4,080,861	-	-	4,080,861	883,830	398,256	-	1,282,086	2,798,775	3,197,031
4	Office Equipment	4,620,323	-	-	4,620,323	2,882,558	573,394	-	3,455,952	1,164,371	1,737,765
5	Audio & Video Systems	197,000	-	-	197,000	179,617	14,218	-	193,835	3,165	17,383
6	Furniture & Fixtures	16,176,732	-	-	16,176,732	5,297,975	1,780,625	-	7,078,600	9,098,132	10,878,757
7	Vehicles	24,384,237	5,458,978	2,887,125	26,956,090	10,015,504	3,229,479	1,890,891	11,354,092	15,601,998	14,368,733
	Total	105,417,081	6,176,480	2,887,125	108,706,435	60,410,839	11,212,344	1,890,891	69,732,293	38,974,142	45,006,242
(2) Intangible Assets											
1	Computer - Software	15,758,073	-	-	15,758,073	14,809,193	740,710	-	15,549,903	208,170	948,880
2	Developed Software Product	-	98,925,137	-	98,925,137	-	85,834	-	85,834	98,839,303	-
	Total	15,758,073	98,925,137	-	114,683,210	14,809,193	826,544	-	15,635,737	99,047,473	948,880
	Grand Total	121,175,154	105,101,617	2,887,125	223,389,645	75,220,033	12,038,888	1,890,891	85,368,030	138,021,615	45,955,121
	Previous Year	103,263,301	17,911,853	-	121,175,154	62,510,093	12,709,940	-	75,220,033	45,955,121	40,753,208
(3) Intangible Assets under Development		97,274,988	78,593,386	98,925,137	76,943,237						

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 attached to and forming part of Consolidated Financial Statements for the year ended March 31, 2017

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, 2017	For the Year ended March 31, 2016
Earnings for calculating the Earnings per share (Rs.)	26,642,942	17,657,697
Earnings for calculating Diluted Earnings per share (Rs.)	26,642,942	17,657,697
Weighted average number of equity shares (For Basic EPS)	17,965,345	17,546,167
Weighted average number of equity shares (For Diluted EPS)	20,391,283	18,854,903
Basic Earning per share	1.48	1.01
Diluted Earning per share	1.31	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.61,49,15,655/- and export Rs. 17,27,00,735/- (Inland P.Y. 18,64,85,132/- and export Rs.27,56,52,048/-).

Note: 27

Contingent Liabilities

Particulars	As at 31-03-2017	As at 31-03-2016
	Rs.	Rs.
Bank Guarantees	13,275,550	3,367,120
Dividend on 0.001% of Cumulative Convertible Redeemable Preference shares	-	131
Total	13,275,550	3,367,251

Note: 28

Earnings in Foreign Exchange

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
	Rs.	Rs.
FOB Value of Exports (Services)	172,700,735	275,652,047
Total	172,700,735	275,652,047

Note: 29

Expenditure in Foreign Exchange

Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
	Rs.	Rs.
Purchase of Licences	19,762,270	7,549,720
Travelling , Conveyance & Other Expenditure	3,723,579	9,629,367
Total	23,485,849	17,179,087

Notes attached to and forming part of Consolidated Financial Statements for the year ended March 31, 2017

Note: 30

Unhedged Foreign Currency Exposure

Particulars	Foreign Currency	As at 31-03-2017	As at 31-03-2016
Trade Receivables	USD	919,498	1,854,474
	(In Rs.)	59,261,643	122,246,954
	SGD	135,171	41,743
	(In Rs.)	6,211,104	2,030,796
	EURO	3,911	3,910
Advances from Trade Receivables	(In Rs.)	267,808	289,962
	USD	126	86,494
Trade Payables	(In Rs.)	8,119	5,701,696
	USD	208,781	39,883
	(In Rs.)	13,455,963	2,629,087

Note : 31

Details of Specified Bank Notes Held and Transacted

Description	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	962500	554	963,054
(+) Permitted receipts	0	470,000	470,000
(-) Permitted payments	0	432,748	432,748
(-) Amount deposited in Banks	962500	-	962,500
Closing cash in hand as on 30.12.2016	0	37,806	37,806

Note: 32

Payments to Auditors

Particulars	2016-17	2015-16
Statutory Audit Fee	378,750	378,625
Tax Audit Fee	200,000	200,000
Audit Fee for Consolidation of Accounts	25,000	25,000
Certification Fee	20,000	20,000
Out of pocket expenses reimbursed	28,530	-
Total	652,280	623,625

Note: 33

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	
	2017	2016
Projected benefit obligation at the beginning of the year	3,666,342	4,838,250
Current service cost	539,095	451,086
Interest Cost	293,307	387,060
Actuarial loss / (gain)	1,496,291	230,534
Benefits paid	(1,554,980)	(2,240,588)
Projected benefit obligation at the end of the year	4,440,055	3,666,342
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	4,440,055	3,666,342
Liability recognized in the balance sheet	4,440,055	3,666,342
Cost for the period		
Current service cost	539,095	451,086
Interest cost	293,307	387,060
Expected return on plan assets	-	-
Net actuarial loss recognized in the period	1,496,291	230,534
Net cost recognized in the statement of profit and loss*	2,328,693	1,068,680
Assumptions		
Discount rate	8.00%	8.00%
Expected rate of salary increases	5.00%	5.00%
Employee attrition rate	7.12%	7.55%

- (ii) In respect of Defined contribution plan (Provident Fund), an amount of Rs.6,801,424 (31 March 2016: Rs.7,694,433) has been recognised in the Statement of Profit and Loss.

Note: 34

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: 35

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. 1,16,17,559 (previous year: Rs. 1,22,92,454). 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 2017.

Notes attached to and forming part of Consolidated Financial Statements for the year ended March 31, 2017

Note: 36

Related Party Disclosures

Holding Company	: Bodhtree Solutions Inc (Upto 29/05/2016)
Subsidiary Company	: Bodhtree Human Capital Pvt Limited
Fellow Subsidiaries	: Bodhtree Solutions Pte Limited (Upto 29/05/2016) Bodhtree Consulting Pte Limited (Upto 29/05/2016)
Associate Company	: Pressmart Media Limited Learnsmart (India) Private Limited
Key Management Personnel	: Mr. L.N.Ramakrishna, Managing Director
Enterprises controlled or significantly influenced by individual / relatives:	: Kepler Information Systems Pvt Ltd Sreeven Infocom Ltd

Transactions with Related Parties

Particulars	2016-17	2015-16
	Rs.	Rs.
Sales/Rendering Services		
- Bodhtree Consulting LLC	3,737,250	-
- Bodhtree Technologies PTE LTD	7,590,986	-
- Bodhtree Solutions Inc	28,467,204	137,220,887
- Bodhtree Solutions PTE Ltd.	113,816	49,150
Purchases/Availing Services		
- Kepler Information Systems Pvt Ltd	-	5,241,948
- Sreeven Infocom Ltd	1,600,000	3,103,846
Remuneration to Key Managerial Persons		
- L.N. Ramakrishna - Managing Director	3,932,636	3,000,000
- K. Prabhakar Rao - Chief Financial Officer	1,322,688	1,211,404
Reimbursement of Expenses		
- Bodhtree Solutions Inc	-	1,749,736
Loans Received		
- Kepler Information Systems Pvt Ltd	27,468,693	-
Balances outstanding at the end of the year		
Debit Balances	53,436,936	63,653,522
Credit Balances	29,845,493	8,750,000
Investments	72,249,710	72,249,710

Note: 37

The consolidated financial statements include financials of 100% subsidiary of the company viz. M/s Bodhtree Human Capital Private Limited for the year ended on March 31, 2017 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 and 2016-17 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	0.005%	17,892		-30,813

Note: 38

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

T.N.V.Visweswara Rao
Partner
M.No. 204084

For Bodhtree Consulting Limited
CIN: L74140TG1982PLC040516

L. N.Ramakrishna
MANAGING DIRECTOR
DIN: 03623543

K.Prabhakar Rao
CHIEF FINANCIAL OFFICER

K. Rajesh
DIRECTOR
DIN: 02727491

K.Srikanth Reddy
COMPANY SECRETARY

Place: Hyderabad
Date: 11/05/2017

Place: Hyderabad
Date: 11/05/2017

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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.

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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

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 35th Annual General Meeting of the Shareholders of Bodhtree Consulting Limited on Saturday the 22 day of July, 2017 at 09.30 A.M. at Crystal-I, Radisson, Hitec City, Gachibowli, Hyderabad, Telangana State, India, 500 032

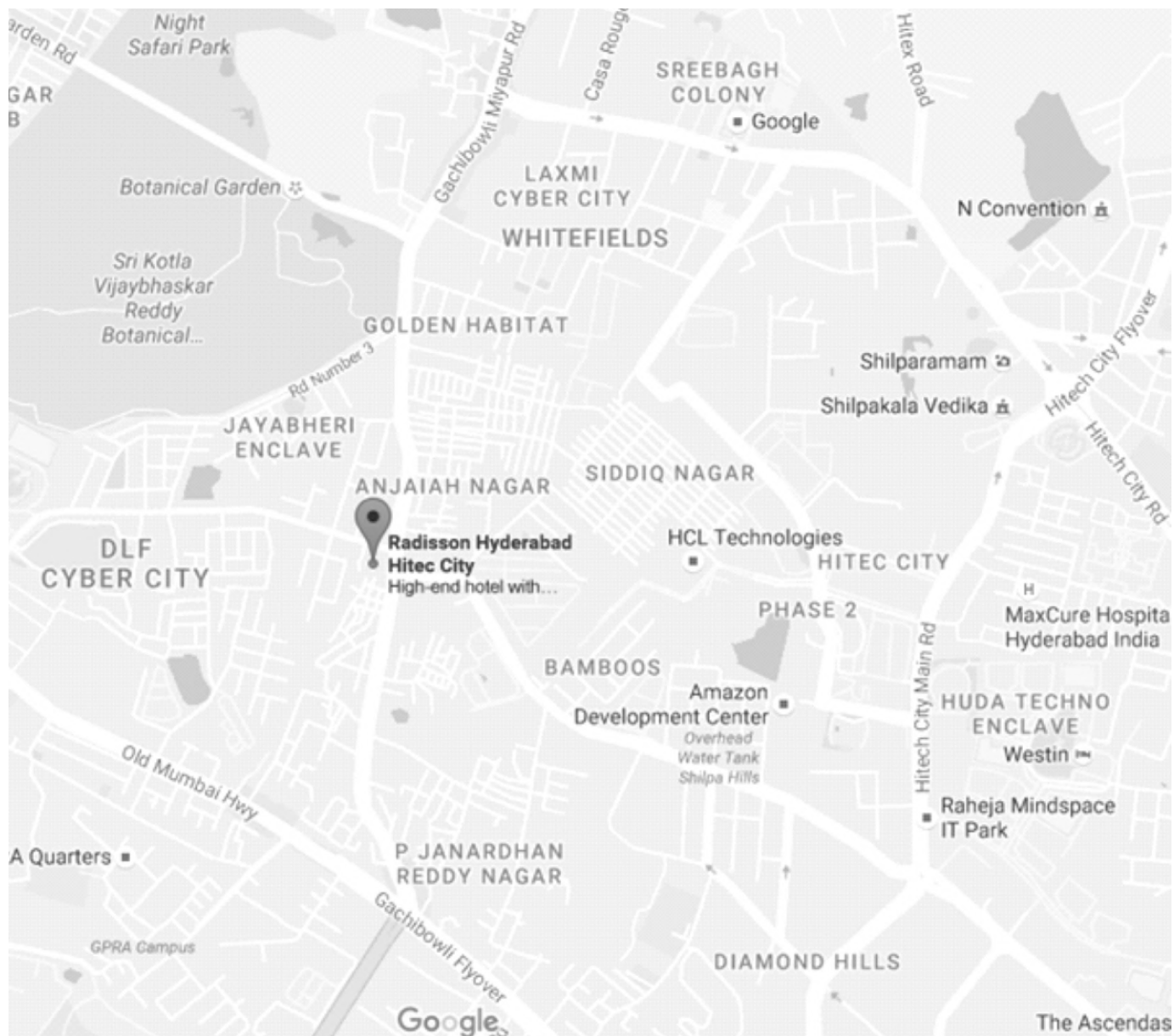
DP ID*	Regd. Folio No.
Client ID*	No. of Shares

*Applicable if shares are held in electronic form.

Name & Address of Member

Signature of Shareholder/Proxy/
Representative (Please Specify)

ROUTE MAP FOR VENUE OF THE 35th 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 35th Annual General Meeting (AGM) of the Company to be held on Saturday, the 22 day of July, 2017 at 09.30 a.m. at Crystal-I, 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 st March, 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors there on.		
2	To declare a Final Dividend on Equity Shares for the Financial Year 2016-17.		
3	Appointment of Mr. Sanjiv Gupta, Director, who retires by rotation and being eligible offers himself for re-appointment.		
4	Ratification of appointment of M/s Nisar & Kumar, Chartered Accountants, (ICAI Firm Registration Number: 127820W) as Statutory Auditors of the Company.		

Signed this ____day of _____2017.

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	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	
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 st March, 2017, the Balance Sheet as at that date and the Reports of the Directors and Auditors there on.		
2	To declare a Final Dividend on Equity Shares for the Financial Year 2016-17.		
3	Appointment of Mr. Sanjiv Gupta, Director, who retires by rotation and being eligible offers himself for re-appointment.		
4	Ratification of appointment of M/s Nisar & Kumar, Chartered Accountants, (ICAI Firm Registration Number: 127820W) as Statutory Auditors of the Company.		

Place:
Date:

(Signature of the Shareholder)

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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 enterprises

Bodhtree Consulting Limited

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

Tel : +91.40.6622.2333
www.Bodhtree.com