



BodhTree Consulting Limited

21st Annual Report 2002-2003

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Board of Directors

Mr. Sanjiv Gupta
Mr. Sunil M. Darda
Mr. T. Venkatram Reddy
Mr. Gusti Noria
Mr. Muktesh Sharma
Mr. H. Natarajan

Chairman & Managing Director

Director
Director
Director
Director
Director

Auditors

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

Bankers

HongKong Shanghai Banking Corporation Ltd.
Uma Plaza, Road No.1,
Banjara Hills, Hyderabad – 500 082
HDFC Bank Ltd.
Road No.10, Banjara Hills
Hyderabad – 500 034

Registered Office

1-8-617/2, Prakasham Nagar
Begumpet, Hyderabad – 500 016.
Phone: (040) 55265570 to 74
Fax: (040) 27762050
E-mail: info@bodhtree.com
URL: www.bodhtree.com

21st Report of the Board of Directors

Your Directors take pleasure in submitting their Report for the Financial Year ended 31st March, 2003.

Financial Results

The Audited Balance Sheet of your Company as at 31st March 2003, the Profit & Loss Account for the financial year ended on that date consisting of 9 months, along with the report of the Auditors thereon are being circulated with this report for your consideration.

| Particulars | Rs. in Lakhs | |
|---|-----------------------|------------------------|
| | 2002-03 (9 months) | 2001-02 (12 months) |
| Income from Operations | 87.57 | 463.70 |
| Other Income | 2.81 | 14.60 |
| Total Income | 90.38 | 478.30 |
| Profit (Loss) before depreciation & Tax | (0.68) | 232.58 |
| Depreciation | 23.07 | 30.04 |
| Operating Profit (Loss) | (23.75) | 202.54 |
| Provision for tax | 0.15 | 1.70 |
| Profit (Loss) after tax | (22.49) | 96.65 |

Financial Performance

The performance of your company has been rather disappointing during the year under review. A combination of several factors such as the continuing sluggishness in the Information Technology Sector in the international market, and the uncertainties in the US Markets due to the war clouds in Iraq hovering in the horizon. As many other mid-sized companies, your company has also been adversely affected by the market conditions.

Your Directors are however pleased to report that your company has used the lean period to develop very useful tools for application in the fields of Digitization of Content, Data Management, Speech Applications etc. Your Directors have also started seriously looking at the domestic market, and the initial response has been encouraging. Your Directors hope that they will be able to report an improved performance during the current financial year.

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

Dividend

In view of absence of profits, your Board regrets its inability to recommend any dividend.

Directors

Mr. Gusti Noria and Mr. H. Natarajan retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

As required by clause 49 of the Listing Agreement with the Stock Exchange, brief resumes of Mr. Gusti Noria and Mr. H. Natarajan are included in the notice convening the Annual General Meeting.

Shifting of Registered Office

Your Directors are pleased to report that on confirmation of the Petition before the Honourable Company Law Board, the Registered Office of your Company has been shifted from Tamil Nadu to Andhra Pradesh effective from 17th February 2003. The address of the Registered Office is given at the end of this Report.

Particulars of Employees

None of the employees of the Company have been in receipt of remuneration exceeding the amount as envisaged by Section 217 of the Companies Act, 1956. Hence, no particulars of employees are annexed to this Report.

Additional Particulars

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



The details are as follows:

| Particulars | 2002-03 | 2001-02 |
|---|----------------|----------------|
| Value of Imports - CIF Basis (Rs.) | 603,540 | 115,327 |
| Expenditure in Foreign Currency (Rs.) | 1,642,333 | 3,027,328 |
| Foreign Currency Earnings - FOB basis (Rs.) | 7,452,201 | 18,123,309 |

Auditors

M/s. Gokhale & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. A Certificate has been received from them stating that their reappointment, if made, shall be in accordance with the provisions of Section 224 of the Companies Act 1956. Your Directors recommend that the Auditors be reappointed.

Corporate Governance

A separate report in compliance with clause 49 of the Listing Agreement with the Stock Exchange is annexed as Annexure-I to, and forms a part of this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is annexed as Annexure II to this Report.

Acknowledgements

Your Directors wish to place on record their appreciation of the excellent enthusiastic support received from the team of dedicated employees in the activities of your Company.

For and on behalf of the Board

Date: 26th August 2003

Sanjiv Gupta
Chairman & Managing Director

Registered Office:

1-8-617/2 Prakasham Nagar, Begumpet
Hyderabad - 500 016.

Annexure I to the Directors' Report
Report on Corporate Governance
(in compliance with Clause 49 of the Listing Agreement)

I. Company's Philosophy on Corporate Governance

The philosophy of the Company towards Corporate Governance is one of whole-hearted support for its adherence in letter and spirit. The Company firmly believes that the Code of Corporate Governance not only ensures transparency, but also helps the management to maintain good housekeeping.

II. Board of Directors

| No | Category | Name |
|----|------------------------------------|--|
| 1 | Promoter Executive Director | Sanjiv Gupta Sanjay Verma (Upto 08.09.2002) |
| 2 | Promoter non Executive Director | Rajiv Verma (Upto 07.12.2002) |
| 3 | Non Promoter Independent Directors | Sunil M Darda T. Venkatram Reddy Muktesh Sharma Gusti Noria H. Natarajan |

During the year under review, four Board meetings were held, on 15th July 2002, 29th July 2002, 31st August 2002, 8th September 2002, 31st October 2002 and 30th January 2003. The details of the attendance of the Directors at the board Meetings are as follows:

| Name of the Director | Attendance particulars | | | No of other Directorships and Committee member / Chairmanship | | |
|----------------------|------------------------|----------|----------|---|-----------------------|-------------------------|
| | Board Meetings | | Last AGM | Other Directorships (Public Companies) | Committee memberships | Committee chairmanships |
| | Held during tenure | Attended | | | | |
| Sanjiv Gupta | 6 | 6 | Yes | None | 1 | 1 |
| Sanjay Verma | 4 | Nil | No | None | 1 | None |
| Rajiv Verma | 5 | 3 | No | None | None | None |
| Sunil M Darda | 6 | 3 | Yes | 3 | None | None |
| T Venkatram Reddy | 4 | 4 | No | 1 | 1 | None |
| Gusti Noria | 4 | 2 | No | 2 | 2 | 1 |
| Muktesh Sharma | 4 | 3 | No | 1 | 3 | 1 |
| H Natarajan | 4 | 4 | Yes | 2 | 2 | 1 |

Mr T. Venkatram Reddy, Mr Muktesh Sharma, Mr Gusti Noria and Mr H. Natarajan were inducted to the Board on the 31st August 2002 as additional directors and subsequently confirmed as Directors in the AGM dated 7th December 2002. Mr Sanjay Verma resigned as a Director of the Company with effect from 8th September 2002.

III Audit Committee

This Committee comprises of three non-executive directors consisting of Mr. H Natarajan as Chairman and Mr. Muktesh Sharma and Mr. Gusti Noria as Member. The terms of reference of this Committee are as required by SEBI under clause 49 of the Listing Agreement. During the period under review, the Committee met two times, on 30th October 2002 and 28th January 2003. The Internal Auditor and the Statutory Auditor are invited to the Meetings of the Committee, and the Chairman & Managing Director is a Permanent Invitee.

IV Remuneration Committee

The Remuneration Committee of the Board consists of Mr. Gusti Noria as the Chairman and Mr. Muktesh Sharma and Mr. Sanjiv Gupta as members. The Committee met once on September 8, 2002. The Committee decided that financial position improves, the remuneration of the Chairman & Managing Director should be frozen at the current level, and further that the Directors should not draw any sitting fees. At the Meeting of the Board of Directors held on 30th October 2002, all the Directors agreed with the recommendation of the committee.

During the period under review, the remuneration paid to Mr. Sanjiv Gupta, Chairman & Managing Director is as follows:

| | |
|----------------------|-----------------|
| Salary | : Rs. 540,000/- |
| House Rent Allowance | : Rs. 135,000/- |

The Non-Executive Directors waived their sitting fees for attending the meetings of the Board or the Committees thereof, and hence no remuneration was paid to the non-executive directors during the period under review.

V. Shareholders Committee

This Committee consists of Mr. Muktesh Sharma as Chairman and Mr. H Natarajan and Mr. Sanjiv Gupta as members. The Committee also approves the requests for transfer of shares in the physical form. The committee met six times on 23rd July 2002, 13th August 2002, 18th October 2002, 22nd November 2002, 17th January 2003 and 30th January 2003. The functions of the Shareholders Committee are to consider the complaints and grievances of the shareholders and take steps for redressal of their grievances. No grievances of any shareholder are pending resolution as on date of this report. The designated compliance officer is Mr. D. Srinivas Rao, Manager – Accounts.

VI. Annual General Meeting

The dates, time and location of the last three Annual General Meetings are as follows:

| Year | AGM | Venue | Date | Time |
|-----------|---------------|-----------------------|------------|----------|
| 1999-2000 | AGM | Regd. Office, Chennai | 30/06/2000 | 3.30 PM |
| 2000-01 | AGM | Regd. Office, Chennai | 29/09/2001 | 10.30.AM |
| | Adjourned AGM | Regd. Office, Chennai | 27/04/2002 | 11.00 AM |
| 2001-02 | AGM | Regd. Office, Chennai | 07/12/2002 | 11.30 AM |

VII. Other Disclosures

- Details of transactions with related parties are provided in Note No. 7 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18 (AS-18).
- There were no instances of non-compliance by the company and imposition of penalties and strictures on the company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last 3 years.

VIII. Means of Communication

| | | |
|----|--|---|
| a. | Half yearly report sent to each household | This has not been done during the year . under review |
| b. | Quarterly results | Yes in Newspapers |
| c. | Any website, where displayed | This will be done from the quarter ending 30 th September 2003 |
| d. | Whether it also displays official news releases and | NO |
| e. | The presentations made to institutional investors or to the analysts | NO |
| f. | Whether Management discussion and analysis is a part of Annual report or not. | YES |

IX. General Shareholder Information

| | | |
|----|---|---|
| a. | Annual General Meeting: | |
| | Date and time | 29 th September 2003, 5.00 P.M. |
| | Place | Hotel Tulip Manohar, Hyderabad |
| b. | Financial Calendar: | |
| | Annual general Meeting | 29 th September 2003 |
| | Results for the quarter ending June 30, 2003 | Last week of July 2003. |
| | Results for the half year ending September 30, 2003 | Last week of October 2003. |
| | Results for the quarter ending December 31, 2003 | Last week of January 2004. |
| | Year ending 31st March, 2004 | Last week of May 2004. |
| c. | Date of Book Closure | 14 th September 2003 to 29 th September 2003 [both days inclusive] |
| d. | Dividend Payment Date | No dividend is proposed for the year under review. |
| e. | Listing on Stock Exchanges | Madras & Hyderabad (Applied for) |
| f. | Stock Code | |
| g. | Demat ISIN Nos. in NSDL & CDSL for Equity shares | 1NE104F01011 |
| h. | Market Price Data: HIGH, LOW during each month in Last financial year. | There has been no significant trading in the shares of the company during the year under review |
| i. | Performance in comparison to broad based indices such as BSE sense, CRISIL Transfer agents | The share is listed in Madras exchanges hence comparison to BSE sensex is not required |
| j. | Registrar and Transfer agents for Demat Shares | M/s Karvy Consultants Ltd. 21, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034 |