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Bodhtree Consulting Limited

22nd Annual Report 2003-2004

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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.2, 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: mail@bodhtree.com
URL: www.bodhtree.com



22nd Report of the Board of Directors

Your Directors take pleasure in submitting their Report for the Financial Year ended 31st March, 2004.

Financial Results

The Audited Balance Sheet of your Company as at 31st March 2004, the Profit & Loss Account for the financial year ended on that date, along with the report of the Auditors thereon are being circulated with this report for your consideration.

Particulars	Rs. in Lakhs	
	2003-04 (12 months)	2002-03 (9 months)
Income from Operations	426.47	87.57
Other Income	1.45	2.81
Total Income	427.92	90.38
Profit (Loss) before depreciation & Tax	90.94	(0.68)
Depreciation	33.00	23.07
Operating Profit (Loss)	57.94	(23.75)
Investments written off	5.63	Nil
Profit after prior period adjustments	47.78	(22.34)
Provision for tax	Nil	0.15
Profit (Loss) after tax	47.78	(22.49)

Financial Performance

The performance of your company for the year under review improved considerably compared to the previous year. In spite of the uncertainties caused by the moves in USA to discourage outsourcing in the Information Technology sector in the international markets, your company has been able to post increased revenues.

Your company continues to use the lean phase to upgrade its skills and technologies and has been able to conclude a very lucrative venture with M/s. Perigon LLC, USA during this period. In exchange for development and transfer of data cleansing application, your company has acquired an equity stock in Perigon LLC for US\$ 500,000. With the help of this acquisition of the application, M/s. Perigon LLC has begun making large strides within the Data Cleansing market. This will certainly see the valuation of the shares of Perigon reach reasonable highs in the ensuing years.

Efforts within the domestic sector have also proved to be financially rewarding for your company. Your directors are now pleased to inform that the digitization of content activity has elicited encouraging response. Your directors are confident of generating better revenues by exploiting application such as digitization of content, data management of Speech application in the current and ensuing years.

Comments of the Auditors

Your Directors wish to state that investments made are in unlisted companies, which are start-ups, and the formal valuation of the shares will take time. Hence, the investments have been shown at cost. As soon the market value becomes determinant, such information will be provided

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.

Directors

Mr. Sunil M. Darda and Mr. Muktesh Sharma 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. Sunil M. Darda and Mr. Muktesh Sharma are included in the notice convening the Annual General Meeting.

ISO-9001 certification

Your company has committed itself to getting an ISO-9001 certification. Every effort is being made to have your company ISO 9001 certified by the end of Q3 of the current calendar year.

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	2003-04	2002-03
Value of Imports - CIF Basis (Rs.)	----	603,540
Expenditure in Foreign Currency (Rs.)	1,077,245	1,642,333
Foreign Currency Earnings - FOB basis (Rs.) (including value of Equity acquired in Perigon)	38,100,420	7,452,201

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: 2nd September 2004

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
2	Non Promoter Independent Directors	Sunil M Darda
		T. Venkatram Reddy
		Muktesh Sharma
		Gusti Noria
		H. Natarajan

During the year under review, five Board meetings were held, on 30th May 2003, 26th July 2003, 26th August 2003, 28th November 2003, and 31 January 2004. 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 member-ships	Committee chairman-ships
	Held during tenure	Attended				
Sanjiv Gupta	5	5	Yes	None	1	1
Sunil M Darda	5	2	Yes	3	None	None
T Venkatram Reddy	5	4	No	1	1	None
Gusti Noria	5	4	Yes	2	2	1
Muktesh Sharma	5	4	No	1	3	1
H Natarajan	5	4	Yes	None	2	1

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 3 times, on 30th May 2003, 26th August 2003, and 28th November 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 30th May 2003. It was decided that the remuneration of the Chairman & Managing Director should remain at the current level till substantial improvement is recorded. The Directors also agreed to continue the practice of not drawing any sitting fees.

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

Salary	: Rs. 720,000/-
House Rent Allowance	: Rs. 180,000/-
Commission	: Rs. 118,108/-

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 30th April 2003, 30th May 2003, 27th June 2003, 26th August 2003, 28th November 2003 and 31st January 2004. 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
2000-01	AGM	The Then Regd. Office, Chennai	29/09/2001	10.30.AM
	Adjourned AGM	The Then Regd. Office, Chennai	27/04/2002	11.00 AM
2001-02	AGM	The Then Regd. Office, Chennai	07/12/2002	11.30 AM
2002-03	AGM	HOTEL TULIP MANOHAR, Begumpet, Hyderabad	29/09/2003	05.00 PM

VII. Other Disclosures

1. 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).
2. 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	NO
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	30 th September 2004, 5.00 P.M.
	Place	Hotel Tulip Manohar, Hyderabad
b.	Financial Calendar:	
	Annual general Meeting	30 th September 2004
	Results for the quarter ending June 30, 2004	Last week of July 2004.
	Results for the half year ending September 30, 2004	Last week of October 2004.
	Results for the quarter ending December 31, 2004	Last week of January 2005.
	Year ending 31st March, 2005	Last week of May 2005.
c.	Date of Book Closure	25 th September 2004 to 30 th September 2004 [both days inclusive]
d.	Dividend Payment Date	No dividend is proposed for the year under review.
e.	Listing on Stock Exchanges	Hyderabad & Madras
f.	Stock Code	6497 (Hyderabad)
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