



Creating Value through Innovation

27th Annual Report 2008-09


BODHI TREE
People. Process. Technology.

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Board of Directors

Mr. Sanjiv Gupta	Chairman
Mr. H. Natarajan	Director (Corporate Affairs)
Dr. Akila Jaikumar	Director (Operations)
Mr. Gusti Noria	Director
Mr. Muktesh Sharma	Director
Mr. Kamlesh S. Gandhi	Director

Company Secretary

Mr. Bidhan C. Debata

Auditors

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

Bankers

HDFC Bank Ltd.
HongKong Shanghai Banking Corporation Ltd.
Union Bank of India

Registered Office

1-8-617/2, Prakasham Nagar
Begumpet, Hyderabad - 500 016.
Phone : (040) 66577000
Fax : (040) 27762050
E-mail ID Investor Relation : cosecy@bodhtree.com
Website : www.bodhtree.com

Corporate Office

8-2-351/N/1 Road No 2
Banjara Hills Hyderabad - 500 034.
Phone : (040) 66547000 to 28
Fax : (040) 66547029

27th Report of the Board of Directors

Your Directors take pleasure in submitting their Report for the Financial Year ended 31st March, 2009.

Financial Results

The Audited Balance Sheet of your Company as at 31st March 2009, 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. The salient features of the results are as follows:

Particulars	Rs. in Lakhs	
	2008-09	2007-08
Income from Operations	1605.75	1036.66
Other Income	135.11	5.86
Total Income	1740.86	1042.52
Operating Expenditure	952.56	815.10
Profit (Loss) before depreciation & Tax	788.30	227.42
Depreciation	73.91	65.42
Operating Profit (Loss)	714.39	162.00
Prior Period Adjustment	24.06	0.97
Profit after prior period adjustments	738.45	162.97
Tax and Provision for tax	154.93	22.23
Profit (Loss) after tax	583.52	140.74

Financial Performance

The Total Income increased to Rs. 1740.86 Lakhs from Rs.1042.52 Lakhs in the previous year, at a growth rate of 67%. The Operating Profit amounted to Rs.714.39 Lakhs (41% of revenue) as against Rs.162 Lakhs (15.5% of revenue) in the previous year. The Net Profit after Tax was Rs. 583.52 Lakhs (33.5% of revenue) as against Rs.140.74 (13.5% of revenue) in the previous year. The net profit for the year includes prior period adjustments of Rs. 24.06 Lakhs (previous year Rs. 0.97 Lakhs).

Dividend

Based on the company's performance, your Directors are pleased to recommend for approval of the members a dividend of 10%, amounting to Rs.1/- per equity share of Rs.10/- each. The dividend on the equity shares, if declared as above, would involve an outflow of Rs. 63.42 lakhs towards dividend and Rs. 10.77 lakhs towards dividend tax, resulting in a total outflow of Rs.74.19 Lakhs. If declared, it would be the maiden dividend for the company.

Transfer to reserves

There is no proposal for transfer of any profit to the general reserve. The whole of the net profits of Rs. 509.32 Lakhs after appropriation for dividend is proposed to be retained in the Profit and Loss Account.

Preferential Issue

During the year under review, the paid-up share capital of the Company increased from Rs. 524.85 Lakhs divided into 52,48,500 equity shares of Rs. 10/- each to Rs. 634.22 Lakhs divided into 63,42,167 equity shares of Rs. 10/- each, consequent to issue of 10,93,667 equity shares of Rs. 10/- each (at a premium of Rs. 17/- per share) on a preferential basis to persons other than promoters.

Utilisation of Proceeds of the Preferential Issue

The proceeds of the Preferential issue amounting to Rs. 295.29 Lakhs has been utilised to augment the resources of the company for its operations.

Subsidiaries and Joint Ventures

Your company has two subsidiaries, namely Pressmart Media Limited and Pressmart Media Inc., USA.

Pressmart Media Limited (PML) was floated as a subsidiary to take over the ePaper business of the company. Having obtained a funding equivalent to USD 6 million from foreign venture capital funds, PML is now poised for further growth, to establish itself as a global player. Your Directors are hopeful of accelerated growth of PML in the coming years.

Pressmart Media Inc., USA was incorporated as a wholly owned subsidiary by PML on the 3rd October, 2008. It has been floated primarily to oversee the USA operations of PML.

The Audited Financial Statements of the subsidiaries and related information are attached to the Annual Report pursuant to the provisions of Section 212 of the Companies Act, 1956.

Learnsmart (India) Private Ltd., the joint venture company to implement the Web based assessment services for the school children has also been stabilizing its operations.

Consolidated Financial Statement

As required under the Listing Agreements with the Stock Exchange, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India and show the financial resources, assets, liabilities, income, profits and other details of the Company, its joint ventures and its subsidiaries after elimination of minority interest, as a single entity.

Fixed Deposits

The Company has not accepted any fixed deposits during the year. There was no unclaimed deposit and interest accrued as on March 31, 2009.

Listing On Madras Stock Exchange

During the year under review your Company has revived its listing with the Madras Stock Exchange. Though the company was earlier listed in Hyderabad Stock Exchange (HSE), such listing has become infructuous with derecognition of HSE by SEBI.

ISO Certification

Your Directors are glad to report that Bodhtree has been successful in conversion of its quality systems and controls from ISO 9001:2000 category to ISO 9001:2008 category from 15th May 2009.

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 profit of the company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

Directors

Mr. H. Natarajan has been inducted on the Board as Additional Director and also appointed as a Wholtime Director (Corporate Affairs) with effect from 5th January 2009. Appropriate resolutions are being proposed for his appointment as Director and Wholtime Director at the ensuing Annual General Meeting.

Mr. Vinay Aggarwal resigned as a Director of the company with effect from 12th January 2009. The Board records its deepest appreciation for the contributions made by Mr. Vinay Aggarwal during his tenure as a director of the company.

Mr. Gusti Noria retires by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment.

Mr. Kamlesh Gandhi has been inducted as Additional Director of the company by the Board in its meeting held on 28th August 2009. Appropriate resolution is being proposed for his appointment as Director at the ensuing Annual General Meeting.

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

Particulars of Employees

Information as prescribed by Section 217(2A) of the Act, read with Companies (Particulars of Employees) Rules, 1975 is given as **Annexure-I** 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:

(Figures in Rs.)

Particulars	2008-09	2007-08
Value of Imports - CIF Basis	218,470	76,75,317
Expenditure in Foreign Currency	3,473,769	119,30,439
Foreign Currency Earnings - FOB basis	147,707,445	100,914,154

Auditors

M/s. Gokhale & Co., Chartered Accountants, the statutory auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Corporate Governance

A separate report in compliance with clause 49 of the Listing Agreement with the Stock Exchange along with Auditors' certificate on corporate governance is annexed as **Annexure-II** to, and forms a part of this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is annexed as **Annexure III** 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



Sanjiv Gupta
Chairman

Date: 28th August, 2009

Registered Office:

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

Statement pursuant to Section 212(e) of the Companies Act, 1956, relating to Subsidiary Companies.

Name of the Subsidiary	Pressmart Media Ltd	Pressmart Media Inc., USA
Financial Year ended on Shares of the Subsidiary Company held on the above date and the extent of holding i. Number of Shares ii. Extent of Holding	31st March, 2009 52,57,924 71.74% Pressmart total issued & paid up: 73,29,048 equity shares	31st March, 2009 1,00,000 * 100% *(wholly owned by Pressmart Media Ltd)
Net Aggregate amount of profits/ (losses) of the subsidiary for the above financial year so far as they concern members of Bodhtree Consulting Ltd. i. Dealt within the accounts of Bodhtree Consulting Ltd. ii. Not dealt within the accounts of Bodhtree Consulting Ltd.	Nil Loss of Rs.1026.25 lakhs	- -
Net Aggregate amount of profits/ (losses) of the subsidiary for the previous financial year so far as they concern members of Bodhtree Consulting Ltd. i. Dealt within the accounts of Bodhtree Consulting Ltd. ii. Not dealt within the accounts of Bodhtree Consulting Ltd.	Nil Loss of Rs. 503.59 lakhs	- -

For and on behalf of the Board

Place: Hyderabad
Date: 28th August, 2009.

Sanjiv Gupta
(Chairman)

Annexure I to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, and forming part of the Directors' Report for the year ended March 31, 2009.

Sl.No	Employee Name	Designation	Qualification	Age (Yrs)	Experience (Years)	Joining Date	Gross Remuneration (Rs.)	Previous employment and designation
1	Sanjiv Gupta	Managing Director & CEO (upto 12 th August, 2008)	Graduate in Commerce	48	Over 21 years of rich industry experience	11 th January, 2002	8,77,419/-	Managing Director & CEO of erstwhile Bodhtree Consulting Ltd.
2	Akila Jaikumar	Director (Operations)	Ph. D from the Indian Institute of Science, Bangalore	49	Over 19 years experience in scientific research, IT product and services companies	1 st December 2007.	24,00,000/-	Head, Business Unit 1, in Virtusa India Pvt Ltd.
3	H. Natarajan	Director (Corporate Affairs)	B.Com (Hons), FCS	55	Over 30 years of professional experience	5 th January 2009.	6,71,361/-	Practicing Company Secretary
4	Raghavan Madabhushi	Head, SOA-DW	MBA	37	Over 12 years professional experience	13 th December 2002	28,74,000/-	DBA at Ecom Server

Notes:

1. Remuneration includes basic salary, commission, allowances, taxable value of perquisites etc.
2. The employees listed (sl No. 1 to 3) are the directors of the company, none of them being relative inter-se between them.
3. Mr. Sanjiv Gupta holds more than 2% of the outstanding shares of the company as on 31st March, 2009. He resigned as Managing Director and CEO of the company with effect from 13th August, 2008. He however continues as a non executive Director of the company.
4. The employment has been made by the Board in compliance with Schedule XIII of the Companies Act, 1956, after being considered by the Remuneration committee.

For and on behalf of the Board

Place: Hyderabad
Date: 28th August, 2009.

Sanjiv Gupta
(Chairman)

Annexure II 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

Sl.No.	Category	Name
1	Promoter Non-Executive Chairman	Sanjiv Gupta (Ceased to be Managing Director & CEO from 13th August 2008, but is continuing as non executive Chairman)
2	Non Promoter - Executive	Akila JaiKumar Director- Operations H. Natarajan (joined as Director- Corporate Affairs w.e.f 5th January, 2009)
3	Non Promoter Independent Directors	Gusti Noria Vinay Aggarwal (Resigned as Director w.e.f 12th Jan 2009) Muktesh Sharma Kamlesh Gandhi (Joined as Director w.e.f 28th August, 2009)

During the year under review, eleven Board meetings were held, on 18th April 2008, 7th May 2008, 25th June 2008, 14th July 2008, 1st August 2008, 13th August 2008, 4th October 2008, 31st October 2008, 27th November 2008, 29th December 2008 and 30th January 2009. The details of the attendance of the Directors at the Board Meetings are as follows: