



32nd

ANNUAL REPORT

2013-2014



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Board of Directors

Mr. Katragadda Rajesh	Chairman
Mr. Pal Natarajan	Managing Director
Mr. Sanjiv Gupta	Director
Mr. Ramanujam Kuppusamy	Director
Mr. Sriram Nimmagadda	Director

Company Secretary

Ms.G.Pushkarini

Bankers

HDFC Bank Ltd
Banjara Hills branch
Hyderabad

Registered Office

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
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

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of Bodhtree Consulting Limited will be held at Gen X Kasani GR Hotel, Beside Indian Oil Petrol Pump, Hitech-city, Madhapur, Hyderabad - 500081, Telangana, INDIA, on Tuesday, the 23rd day of December, 2014, at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjiv Gupta, Director (DIN:00233040) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s.Nissar & Kumar.,Chartered Accountants (Firm Registration No: 127820W), be and are hereby appointed as the statutory auditors of the Company, in the place of M/s.Pavuluri & Co, who expressed their inability to continue as such, to hold office from the conclusion of this AGM to the conclusion of the sixth consecutive AGM and that the Board of Directors, be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.Ġ

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Katragadda Rajesh (DIN No: 02727491), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuring Annual General Meeting.Ġ

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing

Agreement, Mr. Nimmagadda Sriram (DIN No:02978454), Director of the Company, whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuring Annual General Meeting.†

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

“RESOLVED THAT pursuant to the provisions of Sections 203, 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to approval of the Central Government, Mr. Palaniappan Natarajan (DIN: 03607899), be and is hereby re-appointed as Managing Director of the Company, for a period of three years with effect from 5th September, 2014, as approved by the Nomination and Remuneration Committee on the remuneration, perquisites and other allowances as detailed hereunder and that the overall managerial remuneration (excluding allowable perquisites) shall not exceed the limit of Rs.42 lakhs per annum as specified under Schedule V of the Companies Act, 2013:

A. Salary :

Basic Salary Rs. 5,833/- per month.

B. Other Allowances:

- HRA 50% of Basic Salary per month;
- Conveyance Allowance Rs.800/- per month;
- Special allowance Rs.6,418/- per month;
- Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
- Encashment of leave at the end of the tenure;
- Any other allowances as per the policy of Company

“RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Mr. Palaniappan Natarajan, Managing Director, as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period of three (3) years.†

“RESOLVED FURTHER THAT the Board be and is here by authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.†

By Order of the Board

Place: Hyderabad

Date: 14th November, 2014

Sd/-

**Pal Natarajan
Managing Director
DIN:03607899**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than Forty-eight hours before the meeting.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business items is annexed hereto.
3. The register of members and Share Transfer Books of the Company will remain closed during the period from 15-12-2014 to 22-12-2014 (both days inclusive).
4. Members are requested to send all communications relating to shares and any change in address to the Registrar and Share Transfer Agent, M/s.Venture Capital And Corporate Investments Private Limited. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing the share certificates to enable the Company to consolidate their holding into one folio.
5. Members/ Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting. Additional copy of Annual Report and duplicate attendance slip will not be issued at the place of the meeting.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting, so that the information required by them may be made available at the meeting.
7. Pursuant to the requirements on the Corporate Governance under the Listing Agreement entered into with the Stock Exchanges, the information about the directors proposed to be re-appointed/ appointed is given in the **Annexure-A** to the notice.
8. Trading in the Equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is **INE104F01011**.
9. The members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.

10. Instructions 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 of voting.

A) Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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 0s before the number after the first two characters of the name. Eg. If your name is Sahit with sequence number 1 then enter SA00000001 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.
- II. The voting period begins on 17-12-2014 (9.00 AM) and ends on 18-12-2014 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as of 12-12-2014 (i.e., the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. 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
- IV. 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 12-12-2014.
- V. 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. MSE Ltd.
- III. Members may address any query to Ms. G. Pushkarini, Company Secretary at the Registered Office of the Company, Tel. No.040-66222333, e-mail address: cosecy@bodhtree.com, Website: www.bodhtree.com.

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

Item No.3

M/s.Parvuluri & Co., Statutory Auditors of the Company expressed their inability to continue as such. In consideration of this, the Board of Directors at their meeting held on 14th November, 2014, proposed the appointment of M/s. Nissar & Kumar, Practicing Chartered Accountants, (Firm Reg. No.127820W) to the office of statutory auditors pursuant to the recommendations of audit committee and recommended the approval of members for the resolution mentioned in the item no.3.

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item Nos. 4 & 5

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from 1st April, 2014, Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation and the term shall be effective prospectively.

The Board of Directors of the Company decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr.Katragadda Rajesh and Mr.Nimmagadda Sriram being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Nomination and Remuneration Committee and the Board of Directors have recommended appointment of Mr.Katragadda Rajesh and Mr.Nimmagadda Sriram as Independent Directors of the Company.

Mr.Katragadda Rajesh and Mr.Nimmagadda Sriram, non-executive independent directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there-under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Copies of the draft letter for appointment of Mr.Katragadda Rajesh and Mr.Nimmagadda Sriram as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 4 & 5.

Item No. 6**Re-appointment of Managing Director:**

Pursuant to the provisions of Sections 203, 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company subject to approval of the members and Central Government, re-appointed Mr.Palaniappan Natarajan, as the Managing Director of the Company, on 14.08.2014 for a period of 3 years with effect from 05.09.2014 on the remuneration, perquisites and other allowances as set out at Item No. 6 in the proposed Ordinary Resolution.

Mr.Palaniappan Natarajan, has been working for the Company since May, 2011. He holds an Engineering degree in Computer Science from Annamalai University. He is incharge of all the Operations of the Company since his appointment as Managing Director. He has 20+ years of experience in global executive management, through both consulting for Fortune 500 companies and working in the industry to enable and transform business capabilities. His leadership, technology insight and operational expertise helped the Company streamline business operations, expand into new markets and increase its product and services portfolio. He had accelerated and systematized go-to market business models, architected business solutions and delivered programs to monetize additional revenue, reduce costs and maintain a competitive edge, built consulting practices and led global implementations for Fortune 500 companies.

Keeping in view of his experience and expertise, the Board recommended the resolution at Item No. 6 for approval of Members.

Apart from the remuneration payable, Mr.Palaniappan Natarajan does not have any other pecuniary relationship with the Company. He neither has any interest in the Capital of the Company nor related to any director or promoter in any way either in the company or its holding company. Except Mr.Palaniappan Natarajan none of the other directors are concerned or interested in this resolution.

STATEMENT PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 :

I. GENERAL INFORMATION:

1. Nature of Industry:

The company operates in IT industry and is a provider of innovative consulting and technology services. The company has niche strengths in building and managing a Business Oriented IT environment with rich experience in technology incubation, Product engineering, Business intelligence, Data Management, SOA Consulting, CRM Consulting, Analytics, Data Warehousing and Sharepoint Consulting.

2. Date of commencement of commercial production: 28th July, 1982

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

4. Financial performance based on given indicators:

	Rs.(in Lakhs)		
<u>Particulars</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Turnover/Income	4753.90	4347.55	4421.75
Net Profit / Loss before Tax & Appropriation	353.32	(708.43)	63.57

5. Foreign investments or collaborations

51.29% of the paid-up capital is held by M/s.Bodhtree Solutions Inc., U.S.A. being the promoter company. Company does not have any foreign collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details:

Mr.Palaniappan Natarajan, has been working for the Company since May, 2011. He holds an Engineering degree in Computer Science from Annamalai University. He has 20+ years of experience in global executive management, through both consulting for