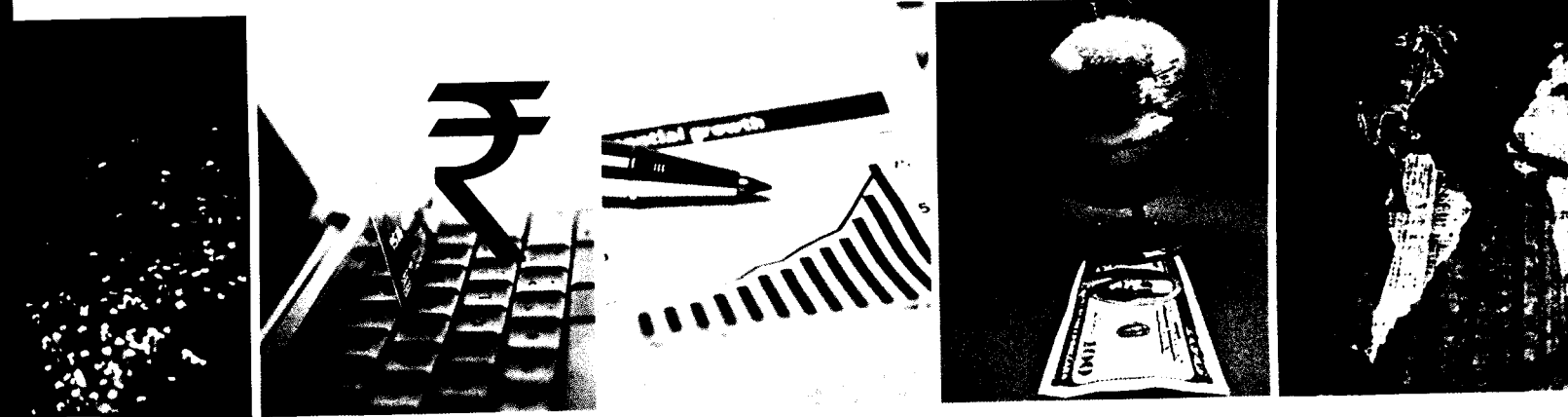


28th

BODHTREE
People. Process. Technology.

Annual Report



2009-2010

Experiencing Growth by Investing in New Technology Domains

www.bodhtree.com

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Board of Directors

Mr. Sanjiv Gupta	Chairman
Mr. H. Natarajan	Director (Corporate Affairs)
Mr. Muktesh Sharma	Director
Mr. Kamlesh Gandhi	Director

Company Secretary

Mr. Bidhan Ch. 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.

Registered Office

1-8-617/2, Prakasham Nagar
Begumpet, Hyderabad- 500016.
Phone: (040) 66577000
Fax: (040) 27762050
Email Id- Investor Relation: cosecy@bodhtree.com
Website: www.bodhtree.com

Corporate Office

8-2-351/N/1 Road No.2
Banjara Hills, Hyderabad- 500034
Phone: (040) 66547000 to 28
Fax: (040) 66547029

28th Report of the Board of Directors

Your Directors take pleasure in submitting their Report for the Financial Year ended 31st March, 2010.

Financial Results

The Audited Balance Sheet of your Company as at 31st March 2010, 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	₹ in Lakhs	
	2009-10	2008-09
Income from Operations	2256.77	1605.75
Other Income	30.27	135.11
Total Income	2287.04	1740.86
Operating Expenditure	1710.68	952.56
Profit (Loss) before depreciation & Tax	576.36	788.30
Depreciation	71.20	73.91
Operating Profit	505.16	714.39
Prior Period Adjustment	(51.37)	24.06
Profit after prior period adjustments	453.79	738.45
Tax and Provision for tax	128.32	154.93
Profit (Loss) after tax	325.47	583.52

Financial Performance

The Total Income increased to ₹ 2287.04 Lakhs from ₹ 1740.86 Lakhs in the previous year, at a growth rate of 31%. The Operating Profit amounted to ₹ 505.16 Lakhs (22% of revenue) as against ₹ 714.39 Lakhs (41% of revenue) in the previous year. The decrease in profit margin has been primarily due to increase in the employee cost necessitated due to induction of new resources to reach new markets.

Dividend

Based on the company's performance, your Directors are pleased to recommend for approval of the members a dividend of 12 %, amounting to ₹ 1.20/- per equity share of ₹ 10/- each. The dividend on the equity shares, if declared as above, would involve an outflow of ₹ 76,10,600/- towards dividend and ₹ 12,93,422/- towards dividend tax, resulting in a total outflow of ₹ 89,04,022/-.

Transfer to reserves

Out of the ₹ 325.47 Lakhs net profits, your Directors propose for transfer of ₹ 50 lakhs to reserves after appropriation for dividend.

Material Changes affecting the financial position of the company

The existing contract with Owens & Minor Inc., USA, was due to expire on December 31, 2010. After extending the validity by a further period of three years on May 18, 2010, the above client served a notice of termination for convenience on June 11, 2010 without attributing any valid reasons. Subsequently, it was found that another company claiming to have won the contract from the above client was accessing the Bodhtree portal containing the client's data. Bodhtree initiated Criminal action against the said company. Your Company has contested the validity of termination notice. Proceedings are pending before Indian Courts. The client has also initiated steps for arbitration under the contract in Richmond, Virginia. If the ongoing dispute with the above client results in the termination being upheld, there can be a substantial fall in the revenues and profits in the current year. Your

Company has however been advised that there are very good chances of your company succeeding in the legal action/arbitration.

Joint Venture Proposal

Your Company has entered into an Agreement with Bodhtree Solutions Inc., USA to form a Joint Venture Company called Bodhtree Solutions Private Limited in India to take up off shore IT assignments from North America. Your Company will have a 40% stake in the above Joint Venture. Your Directors expect significant business opportunities to result from the joint venture.

Subsidiaries and Joint Ventures

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

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 Agreement 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 associate companies, its joint ventures and its subsidiaries after elimination of minority interest, as a single entity.

Trading of the company's shares in NSE

Your Directors are pleased to report that the National Stock Exchange has permitted trading in the shares of your Company with effect from August 9, 2010. This will provide the much needed liquidity to the shares of your company, which are listed in the Madras Stock Exchange.

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

Dr. Akila Jaikumar resigned as Wholetime director (Operations) with effect from the 1st April, 2010. Mr. Gusti Noria resigned as Director with effect from 28th May, 2010. The Board records its deepest appreciation for the contributions made by Dr. Akila Jaikumar and Mr. Gusti Noria during their tenure as directors of the company.

Mr. Muktesh Sharma retires by rotation at the ensuing Annual General Meeting, and is eligible for reappointment.

As required by clause 49 of the Listing Agreement with the Stock Exchange, a brief resume of Mr. Muktesh Sharma is 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) (Amendment) Rules, 2002 is given as an **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:

(In Rupees)

Particulars	2009-10	2008-09
Value of Imports – CIF Basis	Nil	218,470
Expenditure in Foreign Currency	7,137,045	3,473,769
Foreign Currency Earnings – FOB basis	131,590,426	147,707,445

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

Date: 12 August, 2010

Registered Office:

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

Sanjiv Gupta
Chairman

**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	31 st March, 2010	31 st March, 2010
Shares of the Subsidiary Company held on the above date and the extent of holding		
i. Number of Shares	52,57,924	1,00,000
ii. Extent of Holding	71.74% of Equity. Pressmart total issued & paid up equity shares : 73,29,048	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.	Nil	—
ii. Not dealt within the accounts of Bodhtree Consulting Ltd.	Loss of ₹ 754.54 lakhs (based on equity holdings)	—
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.	Nil	—
ii. Not dealt within the accounts of Bodhtree Consulting Ltd.	Loss of ₹ 734.37 lakhs (based on equity holdings)	—

For and on behalf of the Board

Place: Hyderabad
Date: 12 August, 2010

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, 2010.

Sl.No	Employee Name	Designation	Qualification	Age (Yrs)	Experience (Years)	Joining Date	Gross Remuneration (₹)	Previous employment and designation
1	Akila Jaikumar	Director (Operations)	Ph. D from the Indian Institute of Science, Bangalore	50	Over 20years experience in scientific research, IT product and services companies	1 st December 2007.	26,90,323/-	Head, Business Unit 1, in Virtusa India Pvt Ltd.
2	H. Natarajan	Director (Corporate Affairs)	B.Com (Hons), FCS	56	Over 31 years of professional experience	5th January 2009.	25,78,270/-	Practicing Company Secretary
3	Raghavan Madabhushi	Head, SOA-DW	MBA	38	Over 13 years professional experience	13th December 2002	3,061,533/-	DBA at Ecom Server

Notes:

1. Remuneration includes basic salary, commission, allowances, taxable value of perquisites etc.
2. The employees listed (sl No. 1 & 2) are the directors of the company, none of them being relative inter-se between them.
3. 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

Sanjiv Gupta
(Chairman)

Place: Hyderabad
Date: 12 August, 2010.

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

No	Category	Name
1	Promoter (Non-Executive Chairman)	Sanjiv Gupta
2	Non Promoter – Executive	H. Natarajan Director- Corporate Affairs
	– Non-Executive	Muktesh Sharma Kamlesh Gandhi (Joined as Director w.e.f 28th August, 2009)

During the year under review, seven Board meetings were held, on 29th May 2009, 30th June 2009, 31st July 2009, 28th August 2009, 29th September 2009, 26th October 2009, and 27th January 2010. 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	Attended				
Sanjiv Gupta	7	6	Yes	1	1	1
Gusti Noria	7	4	Yes	1	2	1
Muktesh Sharma	7	7	Yes	None	None	None
H Natarajan	7	7	Yes	None	None	None
Akila Jaikumar	7	4	Yes	None	None	None
Kamlesh Gandhi*	4	4	Yes	5	2	None

* Number of Meeting after his appointment as Director

III Audit Committee

During the year under review, the Audit Committee comprised of Mr. Muktesh Sharma as Chairman and Mr. Gusti Noria and Mr. Sanjiv Gupta as members. Mr. Kamlesh Gandhi replaced Mr. Sanjiv Gupta as a member of the committee with effect from 28th August 2009 and was subsequently elected chairman of the committee. With the resignation of Mr. Gusti Noria as director from 28th May 2010, Mr. Sanjiv Gupta has been inducted as a member of the committee from the said date.

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 5 times, on 29th May 2009, 30th June 2009, 31st July 2009, 26th October 2009 and 27th January 2010. The Internal Auditor and the Statutory Auditor are invited to the Meetings of the Committee. The attendance particulars of the members in the Audit Committee meeting during the year under review are as follows:

Name of the Director	No. of Audit committee meetings held during tenure	Attended
Muktesh Sharma	5	5
Gusti Noria	5	3
Sanjiv Gupta	3	2
Kamlesh Gandhi	2	2

IV Remuneration Committee

The Remuneration Committee of the Board consists of Mr. Muktesh Sharma as the Chairman and Mr. Kamlesh Gandhi and Mr. Sanjiv Gupta as members. Mr. Gusti Noria who was earlier the chairman of the said committee ceased to be a member on his resignation as director from 28th May, 2010 and Mr. Sanjiv Gupta was appointed as a member to fill the resultant vacancy from the said date.

The Committee reviews the remuneration of the directors and senior executives, and formulates the remuneration policy. There was one meeting of the committee during the period under review, on the 29th September 2009 in which all the members were present. In the said meeting, the committee reviewed the remuneration of the Wholtime Director (Operations) of the company.

During the period under review, the remuneration paid to Dr. Akila Jaikumar, Wholtime Director (Operations) and Mr. H. Natarajan, Director (Corporate Affairs) is as follows:

Details	Mr. H. Natarajan (₹)	Dr Akila Jaikumar (₹)
Salary	1,530,000	2,017,742
House Rent Allowance	510,000	672,581
Commission	538,270*	-

* The commission amount of Rs.538,270/- shall be paid only after adoption of the audited accounts by the shareholders.

The Company has not been paying any remuneration to non-executive Directors except sitting fee for attending each meeting of the Board of Directors of the Company and Committees thereof. The details of sitting fees paid to the non-executive directors during the financial year 2009-10 and their shareholding as on 31 March, 2010 are given below:

Non-executive Directors	Sitting Fees (₹)	No. of shares held
Gusti Noria	24000	5000
Muktesh Sharma	36000	7000
Kamlesh Gandhi	36000	Nil
Sanjiv Gupta	18000	694500

None of the non-executive directors have any pecuniary relationship or transaction with the company.

V Shareholders Committee

This Committee consists of Mr. Muktesh Sharma as Chairman and Mr. H Natarajan and Mr. Sanjiv Gupta as members. The committee met three times on on 29th May 2009, 29th September 2009 and 27th January 2010. The functions of the Shareholders Committee are to consider the complaints and grievances of the shareholders and take steps for redressal of their grievances. There are neither any shareholder complaints nor any shareholder grievances pending resolution as on date of this report. The designated compliance officer is Mr. Bidhan Ch Debata, Company Secretary.

VI Annual General Meeting

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

Special Resolutions

During the previous three AGMs/EGM, Special resolutions passed were as follows:

Year	AGM	Venue	Date	Time
2006-07	AGM	HOTEL TULIP MANOHAR, Begumpet, Hyderabad	28/09/2007	05.00 PM
2007-08	AGM	HOTEL TULIP MANOHAR, Begumpet, Hyderabad	29/09/2008	05.00 PM
2008-09	EGM	Registered Office, 1-8-617/2, Prakasham Nagar, Begumpet, Hyderabad 500 016	31/10/2008	04.30 PM
2008-09	AGM	HOTEL TULIP MANOHAR, Begumpet, Hyderabad	29/09/2009	05.00 PM

- i. At the AGM held on 28th September 2007, approval was obtained to the re appointment of Mr. Sanjiv Gupta as Chairman and Managing Director.
- ii. At the AGM held on 29th September 2008, approval was obtained to the appointment of Dr. Akila Jaikumar as Wholetime Director (Operations).
- iii. At the EGM held on 31st October 2008, approval was obtained for a preferential issue of upto 13,12,200 Equity Shares of Rs. 10/- each at a premium of Rs. 17/- per share.
- iv. At the AGM held on 29th September 2009, approval was obtained to the appointment of Mr. H. Natarajan as Wholetime Director (Corporate Affairs).
- v. At the AGM held on 29th September 2009, approval was obtained for substituting the existing Articles with the new set of Articles of Association.

Postal Ballots

There was no special resolution passed last year through postal ballot, nor is there any proposal this year for passing any special resolution by postal ballot.

VII. Other Disclosures

- Details of transactions with related parties are provided in Note No.8 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18 (AS-18).
- There were no instances of 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.
- The company does not have a formal whistle blower policy. However, the employees have free access to Audit Committee, if they desire to bring any matter to the notice of the Committee.

VIII. Means of communication:

Quarterly / Half yearly financial results of the company are forwarded to the stock exchanges and published in Indian Express- Hyderabad and Andhra Prabha. Half yearly report is not sent to each household of shareholders as the results are published in the news papers.

IX. General Shareholder Information

a.	Annual General Meeting:	
	Date and time	29th September 2010, 5.00 P.M.
	Place	Hotel Manohar, Hyderabad

b. Financial Year:	1st April to 31st March next		
c. Date of Book Closure	22nd September 2010 to 29th September 2010 (both days inclusive).		
d. Dividend Payment Date	Within 30 days from the date of declaration		
e. Listing on Stock Exchanges	The Madras Stock Exchange		
f. Demat ISIN Nos. in NSDL & CDSL for Equity shares	1NE104F01011		
g. 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		
h. Performance in comparison to broad based indices such as BSE senssex, CRISIL.	The share is listed in Madras Stock Exchange, hence comparison to BSE senssex is not required		
i. Registrar and Transfer agents for Demat Shares	M/s Karvy Consultants Ltd. 21, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034		
j. Share transfer system	To expedite the process of share transfers, the Board of the company has delegated the power of share transfer to the Wholetime Director. Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.		
k. Distribution of share holding	Group	No. of shares	%
	Promoter	2361600	37.24
	Individual investors	2926221	46.14
	Bank & Institutions	100000	1.58
	Bodies corporate	301400	4.75
	Others	652946	10.29
	Total:	6342167	100.00
l. Dematerialization of shares and Liquidity	31.6% of the outstanding shares have been dematerialized up to 31st March, 2010. Trading in Equity shares of the company is permitted only in Dematerialized form. There has been no significant trading in the shares of the Company during the year under review.		
m. Outstanding GDR warrants and convertible bonds, conversion date and likely impact on the equity	The Company has not issued any GDR's / warrants / Convertible bonds.		
n. Plant locations	Software Development Center: 1-8-617/2, Prakasham Nagar, Begumpet, Hyderabad 500 016. Software Development Center: 8-2-351/N/1, Road No.2, Banjara Hills, Hyderabad - 500 034		
o. Address for correspondence	Corporate office 8-2-351/N/1, Road No.2, Banjara Hills, Hyderabad - 500 034. Phone:+91 (40) 6654 7000 to 28 Fax : +91 (40) 6654 7029 Email : cosecy@bodhtree.com		

Annexure III to the Directors' Report Management Discussion and Analysis report

Industry Structure and Development

During the past decade the IT industry in India has been the prime catalyst for the economic growth in the country. However the recent global recession has acted as a dampening factor with clients cutting their IT budgets, cancelling deals, delaying payments and deals, renegotiating for pricing cuts etc.

In response to the change in customer requirements and the demand outlook, the IT industry has been striving to diversify to newer business and pricing models, deeper penetration across verticals, innovating new offerings through research and development and developing targeted solutions for the domestic market. All these measures have helped India widen its leadership position in the global sourcing market. The revival in demand of outsourcing services within core markets since beginning of the current year and increasing adoption of outsourcing services by the emerging markets indicates sign of recovery for the industry.

Opportunities and Threats

India continues to be the preferred destination in the outsourcing industry. Considering the current market access, there still exists an immense scope for growth in the offshoring market. There are significant opportunities in the emerging geographies such as Asia Pacific and in vertical markets such as retail, healthcare and government. The domestic market also offers a significant opportunity for growth.

Costs are expected to rise with wage inflation and increased attrition putting pressure on the margins. Besides, the protectionist sentiments in major markets in wake of the recession, pose potential threat to the IT sector.

Segment-wise and product-wise performance

Bodhtree has only one segment, namely software development. Being a software solutions company, it is engaged in providing open and end-to-end web solutions, off shoring Data Management, Data Warehousing, software consultancy, design and development of solutions, using the latest technologies.

Outlook

The company is primarily focusing on data management and its related opportunities. It is particularly optimistic about the data cleansing market with its Multi Industry Data Anomaly Solution (MIDAS). With some new offerings being developed by the company in the sectors of business intelligence, spend data management and data cleansing operations, the outlook for the current financial year is one of cautious optimism.

Risks and Concerns

There are concerns around security- both physical and data related, in service delivery which need to be addressed. The proposal for ending fiscal incentives in the near future by the government and frequent changes in fiscal regulations are making the business environment more challenging. Cropping up of new outsourcing destinations in other locations would offer stiff competition and exert pressure on the profit margins.

Internal control system and their adequacy

Bodhtree has put in place a reasonably efficient system of internal controls both in financial terms and in terms of quality of the output of its products and services. There is an in-house team within the organization, paying special attention to controls in terms of data security and quality assurance.

Financial Performance & Operational Performance

The financial performance of the company has witnessed a robust growth compared to the previous year. The revenues have increased by 31% while the operating profits margin has decreased from 41% of revenue in the previous year to 22% of revenue in the current year.

Human Resources

The company has rationalized its human resources effectively. Bodhtree can boast of a stable core team of professionals who have been steadfast in their loyalty to the company. The approach of the company has been to nurture talent and inculcate a sense of belonging amongst its personnel. In fact this has been instrumental in maintaining a relatively low employee turnover in the company.

At present, Bodhtree employs 298 persons including trainees.

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

As provided under Clause 49 I(D)(ii) of the Listing Agreement , I hereby declare that the Company has adopted a Code of Conduct for Directors and senior management personnel of the Company .

A statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel and functional heads, and such statement of allegiance will be obtained on an Annual basis from all the Directors, senior management personnel and the functional heads.

For Bodhtree Consulting Limited

Hyderabad:
12th August, 2010

H. Natarajan
Director (Corporate Affairs)

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
BODHTREE CONSULTING LIMITED

We have examined the compliance of the requirements of Corporate Governance by **BODHTREE CONSULTING LIMITED** for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the requirements is the responsibility of the Management. Our examination has been limited to the procedures and implementation thereof, adopted by the Company, for ensuring such compliance. This examination 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, we certify that the company has complied with the requirements of Corporate Governance as stipulated in the above mentioned Listing Agreement.

The above compliance however is not an assurance of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Gokhale & Co
Chartered Accountants

Chandrasekhar Gokhale
Partner
Membership No. 023839
FRN 000942S

Hyderabad
Date : 12th August, 2010

AUDITOR'S REPORT

The Members

BODHTREE CONSULTING LIMITED

Hyderabad

We have audited the attached Balance Sheet of BODHTREE CONSULTING LIMITED , Hyderabad as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we report that:
 - a. We have 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 appears from our examination of those books
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (b) In the case of the Profit & Loss Account, of the Profit of the company for the year ended on March 31, 2010; and
 - (c) In the case of the Cash Flow Statement of the Cash Flows for the year ended on March 31, 2010

For Gokhale & Co

Chartered Accountants

Chandrashekhar Gokhale

Partner

Membership No 23839

Firm Regn. No 000942S

Date: 28th May, 2010

ANNEXURE TO AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956 (1 of 1956) and on the basis of such checks, as we considered appropriate, we further report that:

- (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management according to the phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is reasonable, no material discrepancies were noticed. The company has not disposed off substantial part of its fixed assets during the year.
- (ii) As at the end of the year an amount of ₹ 10.54 Lakhs is receivable from Pressmart Media Ltd. and ₹ 338.17 Lakhs is receivable from Learnsmart (India) P. Ltd. No interest has been received on the above advances. Apart from the above the company has not taken or given any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act.
- (iii) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of its goods and services.
- (iv) Transactions that need to be entered into a register in pursuance of section 301 of the Act have been entered. In our opinion and based on information and explanations given to us transactions of the value of ₹ 5 lakhs or more have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (v) The company has not accepted deposits from the public covered by the provisions of section 58 A of the Companies Act.
- (vi) The company has an internal audit system commensurate with its size and nature of its business.
- (vii) The company is not required to maintain any cost records under clause (d) of sub-section (1) of section 209 of the Act.
- (viii) The company is regular in depositing Provident Fund and ESI dues with the appropriate authorities. According to the explanations and information given to us there were no undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues outstanding for a period of more than six months from the date they became payable.
- (ix) The company had no accumulated losses and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (x) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xii) During the year under audit the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act.
- (xiii) According to the information and explanations given to us and on an overall examination of the financial statements, we report that no part of the funds raised on short-term basis have been used for long-term investments.
- (xiv) On the basis of information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

The other clauses of the order are not applicable to the company for the year under audit.

For Gokhale & Co

Chartered Accountants

Chandrashekhar Gokhale

Partner

Membership No 23839

Firm Regn. No 000942S

Date: 28th May, 2010

Bodhtree Consulting Limited
Balance Sheet as at 31st March, 2010

Schedule		As at 31-Mar-10 ₹	As at 31-Mar-09 ₹
I SOURCES OF FUNDS			
1. Shareholders Funds			
a. Share Capital	1	63,421,670	63,421,670
b. Reserves & Surplus	2	166,810,839	143,167,661
2. Loan Funds	3		
a. Secured Loans		5,432,010	6,780,713
b. Unsecured Loans		-	2,348,217
3. Deferred Tax Liability		7,831,852	6,552,323
Total		243,496,371	222,270,584
II APPLICATION OF FUNDS			
1. Fixed Assets:			
Gross Block	4	81,842,432	87,697,397
Less: Depreciation		35,816,092	31,812,175
Net Block		46,026,340	55,885,222
2. Investments	5	76,019,578	76,019,578
3. Current Assets, Loans & Advances	6	180,137,165	113,302,238
Less: Current Liabilities & Provisions	7	58,686,712	22,936,454
Net Current Assets		121,450,453	90,365,784
Total		243,496,371	222,270,584
Notes to Accounts	12		
Per and subject to our report of even date For Gokhale & Co. Chartered Accountants		For and on behalf of the Board	
Chandrashekar Gokhale Partner Place : Hyderabad Date: May 28, 2010	Bidhan Chandra Debata Company Secretary	H. Natarajan Director	Sanjiv Gupta Director

Bodhtree Consulting Limited
Profit & Loss account for the year ended 31st March, 2010

Schedule	2010 ₹	2009 ₹
A. INCOME		
Export Sales	131,590,426	147,707,445
Domestic Sales	94,086,562	12,867,767
Other Income	8 3,026,724	13,510,433
Total	228,703,712	174,085,645
B. EXPENDITURE		
Software Development Expenses	1,741,335	330,994
Software - Technical Fee	2,329,212	2,476,917
Employee Costs	9 112,889,411	50,096,802
Directors Remuneration	10 5,268,593	3,948,780
Administrative Expenses	11 48,838,833	38,402,149
Depreciation	4 7,120,468	7,390,883
Total	178,187,852	102,646,525
Profit/(Loss) for the year before (A - B)	50,515,860	71,439,120
Prior Period Items	(1,957,436)	2,406,210
Profit / (Loss) on sale of Fixed Assets	(3,179,090)	
Profit Before Tax	45,379,334	73,845,330
Income Tax / FBT - Previous years	298,474	259,240
Provision for FBT		388,764
Provision for Tax	11,254,133	8,292,950
Provision for Deferred Tax	1,279,529	6,552,323
Profit After Tax	32,547,198	58,352,053
Add: Balance brought forward from previous year	110,902,324	59,969,971
Profit Available for Appropriations	143,449,522	118,322,024
Proposed Dividend	7,610,600	6,342,167
Corporate Dividend Tax	1,293,422	1,077,535
Transfer to General Reserve	5,000,000	-
Balance carried to Balance Sheet	129,545,500	110,902,322
C. Earning per Share		
- Basic & Diluted	5.13	10.38
- Nominal value per equity share	10	10
- Weighted average number of equity shares outstanding during the year	6,342,167	5,623,043
<div> <div>Per and subject to our report of even date For Gokhale & Co. Chartered Accountants</div> <div align="right">For and on behalf of the Board</div> </div>		
Chandrashekar Gokhale Partner Place : Hyderabad Date: May 28, 2010	Bidhan Chandra Debata Company Secretary	H. Natarajan Director
		Sanjiv Gupta Director

Schedules to Balance Sheet & Profit & Loss A/c

Schedules to Balance Sheet

	As at 31-Mar-10 ₹	As at 31-Mar-09 ₹
Schedule 1		
Shareholders Funds		
I Authorised Share Capital 7,000,000 Equity Shares of Rs.10 each	70,000,000	70,000,000
	<u>70,000,000</u>	<u>70,000,000</u>
II Issued, Subscribed & Paid-up Capital 6,342,167 Equity shares of Rs.10 each	63,421,670	63,421,670
	<u>63,421,670</u>	<u>63,421,670</u>
Schedule 2		
Reserves and Surplus		
Securities Premium	32,265,339	32,265,339
General Reserve	5,000,000	-
Profit and Loss a/c	129,545,500	110,902,322
	<u>166,810,839</u>	<u>143,167,661</u>
Schedule 3		
Secured Loans		
Auto Loan from HDFC Bank	3,059,023	3,638,481
Auto Loan from Reliance Capital	2,372,987	3,142,232
	<u>5,432,010</u>	<u>6,780,713</u>
Unsecured Loans		
BCL Employees Benefit Trust	-	2,348,217
	<u>-</u>	<u>2,348,217</u>

Schedule 4

Fixed Assets Schedule

S. No.	PARTICULARS	Gross Block					Depreciation			Net Block	
		As at 01-Apr-2009 ₹	Additions ₹	Deletions/ Adjustments ₹	As at 31-Mar-2010 ₹	As at 01-Apr-2009 ₹	For the Period ₹	Deletions/ Adjustments ₹	Total ₹	As on 31-Mar-2010 ₹	As on 31-Mar-2009 ₹
1	Computer - Hardware	30,307,243	1,671,250	3,691,489	28,287,004	16,533,745	3,161,901	1,014,068	18,681,578	9,605,426	13,773,498
2	Computer - Software	9,603,608	983,885	12,655	10,574,838	6,604,626	903,933	7,527	7,501,032	3,073,806	2,998,984
3	AC's/UPS/Stabilisers	8,286,289	-	907,149	7,379,140	1,336,847	379,062	231,361	1,484,548	5,894,592	6,949,442
4	Electrical Items	6,291,656	-	763,200	5,528,456	794,760	286,840	120,156	961,444	4,567,012	5,496,896
5	Office Equipment	3,025,711	95,734	196,830	2,924,615	524,674	163,103	70,490	617,287	2,307,328	2,501,037
6	D.G.Set	1,711,833	-	-	1,711,833	279,997	81,097	-	361,094	1,350,739	1,431,836
7	Audio & Video Systems	552,807	-	3,732	549,075	356,650	40,049	-	396,699	152,376	196,157
8	Furniture & Fixtures	17,089,700	-	4,253,202	12,836,498	3,853,667	992,524	1,644,022	3,202,169	9,634,329	13,236,032
9	Vehicles	10,828,550	1,323,155	100,732	12,050,973	1,527,209	1,111,959	28,927	2,610,241	9,440,732	9,301,340
	Total	87,697,397	4,074,024	9,928,989	81,842,432	31,812,175	7,120,468	3,116,551	35,816,092	46,026,340	55,885,222
	Previous Year Totals	88,076,596	11,341,077	11,720,274	87,697,398	30,826,056	7,390,883	6,404,764	31,812,175	55,885,222	57,250,538

	As at 31-Mar-10 ₹		As at 31-Mar-09 ₹	
Schedule 5				
Investments				
Long Term Investments				
Investments in Subsidiaries				
Pressmart Media Ltd. (Unquoted)				
5,257,924 Equity shares of Rs.10 each		67,199,710		67,199,710
Investments in Joint Ventures				
Learnsmart (India) Pvt Ltd. (Unquoted)				
505,000 Equity shares of Rs.10 each		5,050,000		5,050,000
Other Investments				
ManyFutures Inc. (Unquoted)				
497,669 Equity Shares @ US \$ 1 each	22,698,683		22,698,683	
Less: Written off on account of depletion in value	<u>20,428,815</u>	2,269,868	<u>20,428,815</u>	2,269,868
Hypersoft Technologies (Quoted)				
100,000 Equity Shares of Rs.10 each, valued at cost		1,500,000		1,500,000
		<u>76,019,578</u>		<u>76,019,578</u>
Schedule 6				
Current Assets, Loans & Advances				
A. Sundry Debtors (Unsecured and considered good)				
- Debts outstanding for a period exceeding 6 months	19,574,571		6,092,216	
- Other Debts	40,214,900	59,789,471	37,925,521	44,017,737
B. Cash & Bank Balances:				
Cash in Hand				
	22,769		57,330	
Cash at Bank				
With Scheduled Banks				
- in current account	25,576,982		18,965,054	
- in deposit account	43,870,424		3,543,945	
		69,470,175		22,566,329
C. Deposits & Advances				
Advances recoverable in cash				
or kind or value to be received				
(Unsecured and considered good)				
	6,524,303		6,983,336	
Advances to Subsidiary	1,054,258		3,309,833	
Advances to Joint Venture	33,816,760		27,004,189	
Deposits	9,482,19	50,877,519	9,420,814	46,718,172
Total Current Assets, Loans and Advances		<u>180,137,165</u>		<u>113,302,238</u>

	As at 31-Mar-10 ₹	As at 31-Mar-09 ₹
Schedule 7		
Current Liabilities & Provisions		
Current Liabilities		
Creditors for Capital Goods	363,930	367,649
Creditors for Expenses	8,397,225	6,252,640
Advance from Customers	276,674	328,500
	9,037,829	6,948,789
Provisions		
Current Tax	-	3,792,950
Tax - Earlier Years	12,149	12,149
FBT	-	118,764
Proposed Dividends	7,610,600	6,342,167
Corporate Dividend Tax	1,293,422	1,077,535
Gratuity	3,637,993	2,371,109
PL Encashment	1,919,069	2,272,991
Expenses	35,175,650	-
	49,648,883	15,987,665
Total Current Liabilities and Provisions	58,686,712	22,936,454
Schedules to Profit & Loss a/c		
	2010 ₹	2009 ₹
Schedule 8		
Other Income		
Bad Debts Recovered	239,200	-
Exchange Fluctuation Gain	2,220,904	5,080,791
Interest on Bank FDs	566,620	274,527
Miscellaneous Income	-	6,013,808
Profit on Sale of Fixed Assets	-	2,041,699
Interest on US Withholding Tax	-	99,608
Total	3,026,724	13,510,433
Schedule 9		
Employee Costs		
Salaries & Contribution to Welfare Funds	110,456,694	47,458,208
P L Encashment	-	35,292
Recruitment & Training Expenses	1,205,545	1,235,679
Staff Welfare	1,227,172	1,373,623
Total	112,889,411	50,102,802

Schedules to Profit & Loss a/c

	2010 ₹	2009 ₹
Schedule 10		
Directors' Remuneration		
Salaries & Perquisites	4,730,323	3,765,484
Commission to Wholetime Director	538,270	183,296
Total	5,268,593	3,948,780
Schedule 11		
Administrative & Other Expenses		
Auditor's Remuneration	133,000	193,464
Bad Debts	11,619	722,500
Books & Periodicals	14,905	10,969
Computer Consumables	153,546	101,000
Conveyance	126,341	107,613
Director's Sitting Fee	114,000	-
Donations	170,640	-
Exchange Fluctuation Loss	8,686,040	3,689,704
Insurance	502,438	632,043
Listing Fee / Electronic Registry Expenses	65,738	66,292
Printing & Stationery	268,880	310,171
Rent	10,644,462	9,162,781
Sales Tax	192,931	-
Subscription & Member Ship Fee	485,338	250,664
Trade Mark Expenses	46,550	29,550
Financial Charges	1,258,020	846,185
Communication Expenses	4,626,901	5,833,162
Travelling Expenses	4,441,677	2,824,941
Business Promotion	3,890,336	1,115,713
Electricity, Water & Diesel Charges	3,321,946	3,902,197
Legal, Professional & Consultancy Fee	5,037,159	3,134,546
Repairs & Maintenance	4,456,267	5,138,995
Rates & Taxes	79,528	226,409
Miscellaneous Expenses	110,571	103,250
Total	48,838,833	38,402,149

Schedule 12

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, provision for income taxes, retirement benefits, the useful lives of fixed assets and intangible assets. Actual results could differ from such estimates.

3. Revenue Recognition

Revenue from software development is recognised based on software developed and billed to clients.

4. Fixed Assets & Depreciation

Fixed Assets are accounted at cost of acquisition inclusive of other related expenses on such acquisition. They are stated at cost less accumulated depreciation.

Depreciation on fixed assets is provided on a pro-rata basis using straight-line method at rates as per Schedule XIV to the Companies Act 1956.

5. Investments

All Investments are long term Investments. Long term Investments are stated at cost. Provision for diminution is made to recognize a decline, which is other than temporary.

6. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange fluctuations arising on payment or realization are dealt with in the Profit and Loss Account.

Monetary Items like Current Assets and Current Liabilities are restated at the year-end closing rate as applicable and any differences arising thereof have been dealt with in the Profit and Loss Account to the extent it pertains to the current year.

7. Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

8. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. All leases are operating leases. Operating lease charges are recognized as an expense in the profit and loss account over the lease term.

9. Employee Benefits

Defined Contribution schemes

Payments to defined contribution post - retirement benefit schemes such as PF and ESI are charged as an expense as they fall due.

Defined Benefit schemes

The liability for gratuity and leave encashment is being provided for on the basis of the actuarial valuation as at the year end.

10. Taxation

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

11. Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. 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-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

12. Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of 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.

13. Provisions & Contingencies

The company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow. A disclosure of contingent liability will be made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No disclosure will be made if the possibility of outflow is remote.

B. NOTES TO ACCOUNTS:

1. Secured Loans

Loans equivalent to ₹ 5,432,010/- are secured by hypothecation of vehicles financed by HDFC Bank Limited and Reliance Capital Limited.

2. Foreign Currency Transactions

2.01 An amount of ₹ 2,220,904/- shown as Exchange Fluctuation Gain is on account of the following:

- (i) ₹ 262,659/- Difference (gain) arising out of difference in the time of transaction and time of payment.
- (ii) ₹ 10,000/- Difference (gain) arising as a result of conversion of Closing EEFC A/c (denominated in Foreign Currency) at the rate prevailing on the Balance Sheet Date.
- (iii) ₹ 1,948,245/- Difference (gain) arising as a result of conversion of Closing Debtors (denominated in Foreign Currency) at the rate prevailing on the Balance Sheet Date.

2.02 An amount of ₹ 8,686,040/- shown as Exchange Fluctuation Loss is on account of the following:

- (i) ₹ 294,780/- Difference (loss) arising out of difference in the time of transaction and time of payment.
- (ii) ₹ 80,000/- Difference (loss) arising as a result of conversion of Closing EEFC A/c (denominated in Foreign Currency) at the rate prevailing on the Balance Sheet Date.
- (iii) ₹ 8,311,260/- Difference (loss) arising as a result of conversion of Closing Debtors (denominated in Foreign Currency) at the rate prevailing on the Balance Sheet Date.

	2009-10	2008-09
Value of Imports – CIF Basis	Nil	218,470
Expenditure in Foreign Currency	7,137,045	3,473,769
Foreign Currency Earnings – FOB basis	131,590,426	147,707,445

3. Retirement Benefits

The liability for gratuity has been provided for to the tune of ₹ 1,266,884/- .

4. Prior Period Items

Prior period items includes ₹ 1,694,398/- towards providing depreciation on fixed assets in the earlier years.

5. Segment Information

The company has only one identifiable reporting segment i.e. software development services.

6. Party Confirmations

Balances outstanding in debtors, creditors and other advance accounts are yet to be confirmed. However it is certified that all debtors and advances accounts are good and recoverable.

7. Managerial Remuneration (Figures in ₹)

Remuneration to Managing Director

	2009-10	2008-09
Salary	—	701,935
House Rent Allowance	—	175,484

Remuneration to Executive Director (Operations)

	2009-10	2008-09
Salary	2,017,742	1,920,000
House Rent Allowance	672,581	480,000

Remuneration to Executive Director (Corporate Affairs)

	2009-10	2008-09
Salary	1,530,000	390,452
House Rent Allowance	510,000	97,613
Commission	538,270	183,296

Computation of Net Profit in accordance with Sec.198 of the Companies Act, 1956 and the commission payable to directors

		(Amount in ₹)
Profit as per the Profit & Loss a/c		50,515,860
Add:		
(i) Depreciation	7,120,468	
(ii) Remuneration of Directors	4,730,323	
(iii) Commission (payable as per Sec.198)	538,270	12,389,061
Less:		
(i) Depreciation as per Sec.350	7,120,468	
(ii) Prior Period Items	1,957,436	9,077,904
Net Profit in accordance with Sec.198		53,827,017
Commission @ 1% for the period		538,270

8. Related Party Disclosures as required by Accounting Standard 18

(a) List of Related Parties

Subsidiaries

Pressmart Media Limited

Pressmart Media Inc, a wholly owned subsidiary of Pressmart Media Limited

Joint Ventures

Learnsmart (India) Private Limited

Key Managerial Personnel

Dr. Akila Jaikumar

Mr. H.Natarajan

Others

Mr. Sanjiv Gupta – Promoter & Chairman

BCL Employees Benefit Trust

(b) Transactions with Related Parties

Name of Party	Relationship	Nature & Amount of Transaction	
		2009-10	2008-09
Pressmart Media Limited	Subsidiary	Investments in shares Nil	Investments in shares ₹ 22,199,770
		Sale of fixed assets: ₹ 1,535,183 (Profit made: ₹ 596,003)	Sale of fixed assets: ₹ 7,856,799 (Profit made: ₹ 2,702,728)
		Sales during the year ₹ 3,433,643	Sales during the year Nil
		Balance Receivable at the end of the Year ₹ 1,306,294	Balance Receivable at the end of the year ₹ 3,309,833
Learnsmart (India) Private Limited	Joint Venture between Bodhtree & Unified Council	Balance Receivable at the end of the year ₹ 33,816,760	Balance Receivable at the end of the year ₹ 27,004,189
Mr. Sanjiv Gupta	Chairman	Sitting Fees paid ₹ 18,000	Managerial Remuneration of ₹ 877,419 [^]
Dr. Akila Jaikumar	Executive Director	Managerial Remuneration of ₹ 2,690,323	Managerial Remuneration of ₹ 2,400,000
Mr. H.Natarajan	Executive Director	Managerial Remuneration of ₹ 2,578,270 ^{^^}	Managerial Remuneration of ₹ 644,361 ^{^^^}
BCL Employees Benefit Trust	Trust formed for benefit of employees	Unsecured Loans at the end of the year Nil	Unsecured Loans at the end of the year ₹ 2,348,217

[^] Managing Director upto 12th August 2008

^{^^} Out of the above remuneration to Executive Director (Corporate Affairs), the commission of ₹ 538,270/- has been withheld, to be paid only after adoption of the accounts by the shareholders.

^{^^^} Appointed w.e.f. 5th January 2009

9. Deferred Tax

Deferred tax liability (net) to the extent of ₹ 1,279,529 was recognized on account of tax effect on timing differences.

10. Particulars in respect of Loans & Advances in the nature of loans where no interest is charged as required by the listing agreement

Particulars	31.3.2010	Figures in ₹ 31.3.2009
Advances to Subsidiary, Pressmart Media Ltd.	1,306,294	3,309,833
Advances to Joint Venture, Learnsmart (India) Pvt Ltd.	33,816,760	27,004,189

11. Disclosures in respect of Joint Ventures

(a) List of Joint Ventures

Name of Joint Venture	: Learnsmart (India) Pvt. Ltd.
Description of Interest	: Jointly Controlled Entity
Country of Incorporation	: India

(b) Financial Interest in Joint Ventures

	2009-10	2008-09
i) Proportion of ownership interest	41%	50%
ii) Company's share in		
Fixed Assets	695,142	781,340
Net Current Assets	1,897,043	25,852,248
Liabilities	13,864,872	13,502,095
Income	3,839,844	1,665,198
Expenses	25,875,973	6,923,740
Taxes	4,382	287,259
Profit/ (Loss)	(22,040,511)	(5,402,171)

12. Auditors Remuneration

	Figures in ₹	
	2009-10	2008-09
As Auditor	100,000	90,000
In Other Capacities-		
taxation matters-	22,000	14,607
company law matters-	11,000	42,472
management services	NIL	NIL
In Other Manner	NIL	NIL

Particulars	2009-10	2008-09
Profit After Tax used for calculating Basic and Diluted EPS	₹ 32,547,198	₹ 58,352,053
Weighted average number of equity shares outstanding for the purpose of calculating Basic and Diluted EPS	6,342,167	5,623,043
Nominal value of share	₹ 10/-	₹ 10/-

14. There are no outstanding dues to micro, small & medium enterprises.

15. Previous Year Figures

The previous year figures have been regrouped wherever necessary.

Per and subject to our report of even date
 For Gokhale & Co.
 Chartered Accountants

For and on behalf of the Board

Chandrashekar Gokhale
 Partner
 Place : Hyderabad
 Date: May 28, 2010

Bidhan Chandra Debata
 Company Secretary

H. Natarajan
 Director

Sanjiv Gupta
 Director

Bodhtree Consulting Limited

Cash Flow Statement for the year ended 31st March 2010

Figures in ₹

PARTICULARS	2009-10	2008-09
I Cash flows from operating activities		
Profit Before Tax as per P & L account	45,379,334	73,845,330
Adjustments for:		
Depreciation & amortization	7,120,468	7,390,883
(Profit) / loss on sale of fixed assets	3,179,090	(2,041,699)
Exchange differences on translation of FCY cash and cash equivalents	70,000	(938,317)
Prior period items	1,755,047	(2,420,530)
Miscellaneous expenditure written off	-	-
Interest on unsecured loans	169,648	300,149
Interest on secured loans	780,556	434,524
Operating profit before working capital changes	58,454,143	76,570,340
Adjustments for working capital changes :		
(Increase)/decrease in sundry debtors	(15,771,734)	(35,549,406)
(Increase)/ decrease in deposits and advances	(4,159,346)	(6,154,574)
Increase/(decrease) in current liabilities	2,089,040	(5,314,622)
Increase/(decrease) in provisions	36,088,612	738,939
Cash generated from operations	76,700,715	30,290,677
Income taxes paid during the year	(15,464,005)	(6,808,611)
Cash flows before extra-ordinary items	61,236,710	23,482,066
Extraordinary items	-	-
Net cash flows from / (used in) operating activities	61,236,710	23,482,066
II Cash flows from investing activities		
Purchase of fixed assets and changes in capital WIP	(4,074,024)	(11,341,077)
Investments in shares of subsidiary	-	(14,343,271)
Investments in shares of joint venture	-	-
Proceeds from sale of fixed assets	1,878,303	1,921,240
Net cash flows from / (used in) investing activities	(2,195,721)	(23,763,108)
III Cash flows from financing activities		
Proceeds from issue of shares	-	8,409,109
Interest paid on secured loans	(780,556)	(434,524)
Interest paid on unsecured loans	(34,472)	(61,830)
Repayment of secured loans	(1,348,703)	5,129,602
Repayment of unsecured loans	(2,483,393)	(3,045,579)
Dividends paid	(6,342,167)	-
Corporate Dividend Tax paid	(1,077,851)	-
Net cash flows from / (used in) financing activities	(12,067,142)	9,996,778
IV Exchange differences on translation of FCY cash and cash equivalents	(70,000)	938,317
Net Increase/(decrease) in cash flows during the year (I+II+III)	46,973,847	9,715,736
Cash & cash equivalents at the beginning of the year	22,566,328	11,912,275
Cash & cash equivalents at the end of the year	69,470,175	22,566,328

The figures in () indicate outflow

Previous year figures have been regrouped wherever necessary

Chandrashekar Gokhale
For Gokhale & Co., Partner

Bidhan Chandra Debata
Company Secretary

H. Natarajan
Director

Sanjiv Gupta
Director

Place : Hyderabad
Date: May 28, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (as per Part IV to the Companies Act, 1956.)

I	Registration Details			
	Registration No. 40516	State Code	01	
	Balance Sheet Date : 31.03.2010			
II	Capital Raised during the Year (Rupees in Thousands)			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
III	Position of Mobilisation and Deployment of Funds (Rupees in Thousands)			
	Total Liabilities	243496.37	Total Assets	243496.37
	Sources of Funds			
	Paid up Capital	63421.67	Reserves & Surplus	166810.84
	Secured Loans	5432.01	Unsecured Loans	Nil
			Deferred Tax	7831.85
	Application of Funds			
	Net Fixed Assets	46026.34	Investments	76019.58
	Net Current Assets	121450.45	Misc. Expenditure	Nil
			Accumulated Losses	Nil
IV	Performance of Company (Rupees in Thousands)			
	Turnover	228703.71	Total Expenditure	178187.85
	Profit before Tax	45379.33	Profit after Tax	32547.19
	Earning per Share (Rs)	5.13	Dividend Rate (%)	12% (proposed)
V	Generic Names of the Three Principal Products/Services of Company			
	Product Description	: Computer Software		
	Item Code No. (ITC Code)	: 852499		

Per and subject to our report of even date
For Gokhale & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekar Gokhale
Partner
Place : Hyderabad
Date: May 28, 2010

Bidhan Chandra Debata
Company Secretary

H. Natarajan
Director

Sanjiv Gupta
Director

Audit Report on the Consolidated Financial Statements

The Members
Bodhtree Consulting Limited
Hyderabad

We have examined the attached Consolidated Balance Sheet of Bodhtree Consulting Limited and its subsidiary Pressmart Media Limited, and joint venture company Learnsmart India Private Limited as at 31 March 2010 and the Profit and Loss Account as well as the Cash Flow statement for the year ended on that date.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Pressmart Media Limited has a wholly owned subsidiary in USA and while considering the consolidated accounts of Pressmart Media Limited, figures as per the un audited financials of the US subsidiary have been taken into account. Books of account of Learnsmart India Private Limited have been audited by other auditors.

We report that the Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on Consolidated Financial Statements, Accounting Standard (AS) 27 on Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

On the basis of the information and explanations given to us and on the consideration of the audited financial statements of Bodhtree Consulting Limited and its subsidiary Pressmart Media Limited (figures of US subsidiary are unaudited) and the joint venture company Learnsmart India Private Limited, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Bodhtree Consulting Limited and its subsidiary Pressmart Media Limited and joint venture company Learnsmart India Private Limited as at 31 March 2010 ;
- b) the Consolidated Profit & Loss Account for the year ended 31 March 2010 gives a true and fair view of the Consolidated results of operations and
- c) the Consolidated Cash Flow Statement shows a true and fair view of the Consolidated Cash Flows for the year ended on 31 March 2010.

For Gokhale & Co
Chartered Accountants

Chandrashekhar Gokhale
Partner
Membership No 23839
Firm Regn. No 000942S

Bodhtree Consulting Limited
Consolidated Balance Sheet as at 31st March, 2010

(Rupees in Lakhs)

Schedule		As at 31-Mar-10	As at 31-Mar-09
I SOURCES OF FUNDS			
1. Shareholders Funds			
a. Share Capital	1	634.22	634.22
b. Reserves & Surplus	2	2114.86	1751.42
c. Share Application Money		-	375.00
2. Minority Interest		966.96	1264.34
3. Loan Funds	3		
a. Secured Loans		54.32	67.81
b. Unsecured Loans		-	23.48
4. Deferred Tax Liability		78.32	65.52
Total		3848.68	4181.79
II APPLICATION OF FUNDS			
1. Fixed Assets:			
Gross Block	4	1512.62	1432.65
Less: Depreciation		597.54	440.66
Net Block		915.08	991.99
2. Investments	5	37.69	1737.69
3. Current Assets, Loans & Advances	6	2,588.24	1,599.69
Less: Current Liabilities & Provisions	7	752.10	439.91
Net Current Assets		1836.14	1159.78
4 a. Miscellaneous Expenditure	8	3.27	3.64
(to the extent not written off)			
b. P & L a/c		1054.05	288.69
c. FCY Translation Reserve (loss)		2.45	-
Total		3848.68	4181.79
Notes to Accounts	13		

Per and subject to our report of even date
For Gokhale & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekar Gokhale
Partner
Place : Hyderabad
Date: May 28, 2010

Bidhan Chandra Debata
Company Secretary

H. Natarajan
Director

Sanjiv Gupta
Director

Bodhtree Consulting Limited
Consolidated Profit & Loss account for the year ended 31st March, 2010

(Rupees in Lakhs)

Schedule	2010	2009
A. INCOME		
Export Sales	1795.61	1,761.57
Domestic Sales	969.09	213.63
Other Income	121.40	173.56
Total	2886.10	2148.76
B. EXPENDITURE		
Software Development Expenses	17.41	4.46
Software - Technical Fee	23.29	24.77
Employee Cost	1841.11	1147.04
Directors Remuneration	52.68	39.49
Administrative Expenses	1342.07	1169.06
Depreciation	162.49	144.16
Preliminary Expenses	0.36	0.40
Total	3439.41	2529.37
Profit/(Loss) for the year before (A - B) prior period & exceptional items	(553.31)	(380.61)
Prior Period Items	(232.37)	24.40
Profit/(Loss) on sale of fixed assets	42.59	-
Profit/ (Loss) Before Tax	828.27	(356.22)
Income Tax / FBT - Previous years	2.99	2.59
Provision for FBT	0.06	9.05
Provision for Tax	115.75	82.93
Provision for Deferred Tax	12.79	65.52
Profit/ (Loss) After Tax	(959.86)	(516.31)
Less: Minority Interest	(296.19)	(287.90)
Profit / (Loss) After Minority Interest	(663.67)	(228.41)
Add: Balance brought forward from previous year	288.69	13.92
Less: Adjustment due to dilution of ownership in joint venture	(37.36)	-
Profit / (Loss) Available for Appropriations	(915.00)	(214.49)
Proposed Dividends	76.12	63.42
Corporate Dividend Tax	12.93	10.78
Transfer to General Reserve	50.00	-
Balance carried to Balance Sheet	(1,054.05)	(288.69)
C. Earnings per share		
- Basic & Diluted	(10.46)	(4.06)
- Nominal value per equity share	10/-	10/-
- Weighted average number of equity shares outstanding during the year	6,342,167	5,623,043

Per and subject to our report of even date

For Gokhale & Co.

Chartered Accountants

For and on behalf of the Board

Chandrashekar Gokhale

Partner

Place : Hyderabad

Date: May 28, 2010

Bidhan Chandra Debata

Company Secretary

H. Natarajan

Director

Sanjiv Gupta

Director

Schedules to Consolidated Balance Sheet

(Rupees in Lakhs)

	As at 31-Mar-10	As at 31-Mar-09
Schedule 1		
Shareholders Funds		
I Authorised Share Capital 7,000,000 Equity Shares of Rs.10 each	700.00	700.00
	700.00	700.00
II Issued, Subscribed & Paid-up Capital 6,342,167 Equity shares of Rs.10 each	634.22	634.22
	634.22	634.22
III Share Application Money (Pending Allotment)	-	375.00
	-	375.00
Schedule 2		
Reserves and Surplus		
Share Premium	2064.86	1750.48
Foreign Currency Translation Reserve	-	0.95
General Reserve	50.00	-
	2114.86	1751.42
Schedule 3		
Secured Loans		
Auto loans from HDFC Bank	30.59	36.39
Auto loans from Reliance Capital	23.73	31.42
	54.32	67.81
Unsecured Loans		
BCL Employees Benefit Trust	-	23.48
	-	23.48

Schedule 4

Fixed Assets Schedule

(Rupees in Lakhs)

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31-Mar-09 ₹	Additions ₹	Deletions/ Adjustments ₹	As at 31-Mar-10 ₹	As at 01-Apr-09 ₹	For the Period ₹	Deletions/ Adjustments ₹	Total ₹	As at 31-Mar-10 ₹	As at 31-Mar-09 ₹
1	Computer - Hardware	437.75	53.81	1.30	490.26	209.09	58.15	(16.62)	283.86	206.40	228.66
2	Computer - Software	466.07	58.57	0.67	523.97	140.98	70.47	0.07	211.38	312.59	325.09
3	AC's/UPS/Stabilisers	92.99	3.41	19.48	76.92	14.22	4.35	3.37	15.20	61.72	78.77
4	Electrical Items	72.92	0.25	7.78	65.39	8.77	3.35	1.20	10.92	54.47	64.15
5	Office Equipment	37.38	11.02	1.97	46.43	5.53	2.24	0.70	7.07	39.36	31.85
6	D.G.Set	24.02	-	-	24.02	3.41	0.81	-	4.22	19.80	20.61
7	Audio & Video Systems	5.55	-	0.03	5.52	3.57	0.40	-	3.97	1.55	1.98
8	Furniture & Fixtures	181.38	20.75	42.53	159.60	39.82	11.44	16.44	34.82	124.78	141.56
9	Vehicles	108.29	13.23	1.01	120.51	15.27	11.12	0.29	26.10	94.41	93.02
10	Capital WIP Furniture / Fixtures	6.30	11.70	18.00	-	-	-	-	-	-	6.30
	Total	1432.65	172.74	92.77	1512.62	440.66	162.33	5.45	597.54	915.08	991.99
	Previous Year Totals	1332.77	141.46	41.57	1432.65	333.55	144.16	37.04	440.67	991.99	999.22

(Rupees in Lakhs)

	As at 31-Mar-10		As at 31-Mar-09	
Schedule 5				
Investments				
Long Term Investments				
Many Futures Inc. (Unquoted)				
497,669 equity shares @ US \$ 1 each	226.98		226.98	
Less: Written off on a/c of depletion in value	<u>204.29</u>		<u>204.29</u>	
		22.69		22.69
Hypersoft Technologies (Quoted)				
100,000 equity shares of Rs.10 each, valued at cost		15.00		15.00
Current Investments				
Investments in Mutual Funds				
HDFC Cash Management Fund		-		1700.00
		<u>37.69</u>		<u>1737.69</u>
Schedule 6				
Current Assets, Loans & Advances				
A. Sundry Debtors (Unsecured and considered good)				
- Debts outstanding for a period exceeding 6 months	316.97		137.96	
- Other Debts	<u>581.04</u>		<u>502.77</u>	
Less: Provision for bad debts	-	898.01	35.96	604.78
B. Cash & Bank Balances:				
Cash in Hand	0.42		1.03	
Cash at Bank				
With scheduled banks				
- in current account	769.28		243.11	
- in deposit account	<u>454.07</u>		<u>48.96</u>	
		1223.77		293.10
C. Deposits & Advances				
Advances recoverable in cash				
or kind or value to be received				
(Unsecured and considered good)	352.81		575.33	
Deposits	<u>113.65</u>	466.46	<u>126.49</u>	701.82
Total Current Assets, Loans and Advances		<u>2588.24</u>		<u>1599.69</u>

	As at 31-Mar-10	As at 31-Mar-09
Schedule 7		
Current Liabilities & Provisions		
Current Liabilities		
Creditors for Capital Goods	3.64	3.68
Creditors for Expenses	128.66	183.92
Advance from Customers	36.88	26.97
Revenue Share Payable	27.24	13.29
Deposits Refundable	7.35	19.85
	<u>203.77</u>	<u>247.71</u>
Provisions		
Current Tax	1.32	37.93
Tax - Earlier Years	0.22	0.22
FBT	0.78	4.06
Proposed Dividends	76.11	63.42
Corporate Dividend Tax	12.93	10.78
Gratuity	71.25	39.37
PL Encashment	33.96	32.03
Sales Incentives	-	4.40
Other Expenses	351.76	-
	<u>548.33</u>	<u>192.21</u>
Total Current Liabilities and Provisions	<u>752.10</u>	<u>439.91</u>
Schedule 8		
I Miscellaneous Expenses (to the extent not written off)		
Preliminary Expenses	3.27	3.64
II Profit & Loss Account	1054.05	288.69
III Foreign Currency Translation Reserve (loss)	2.45	-
Schedule 9		
Other Income		
Exchange Fluctuation Gain	22.21	63.22
Interest On Bank FDs	5.74	3.70
Dividends On Mutual Funds	80.79	52.15
Bad Debts Recovered	2.39	-
Profit/ (Loss) on Sale of Fixed Assets	-	(6.65)
Interest On US Withholding Tax	-	1.00
Other Income	10.27	60.14
Total	<u>121.40</u>	<u>173.56</u>
Schedule 10		
Employee Costs		
Salaries & Contribution to Welfare Funds	1788.43	1094.51
P L Encashment	7.90	11.16
Recruitment & Training Expenses	12.21	18.75
Staff Welfare	32.57	22.62
Total	<u>1841.11</u>	<u>1147.04</u>

Schedules to Consolidated Profit & Loss a/c

(Rupees in Lakhs)

	As at 31-Mar-10	As at 31-Mar-09
Schedule 11		
Directors Remuneration		
Salaries & Perquisites	47.30	37.65
Commission to Wholetime Director	5.38	1.83
Total	52.68	39.49
Schedule 12		
Administrative & Other Expenses		
Auditor's Remuneration	3.52	2.76
Bad Debts	36.02	7.23
Books & Periodicals	0.84	0.59
Computer Consumables	1.54	1.03
Computer Hire Charges	0.92	0.45
Conveyance	4.83	2.13
Donations	1.76	-
Director's Sitting Fees	1.14	-
Exchange Fluctuation Loss	118.07	36.90
Furniture/ Fixture Hire Charges	21.84	-
Insurance	10.46	7.98
Listing Fee / Electronic Registry Expenses	0.66	0.66
Printing & Stationery	11.06	10.15
Provision For Bad Debts	-	25.96
Rent	160.05	143.48
Revenue Share Expenses	-	14.22
Subscription & Member Ship Fee	7.96	3.99
Sales Tax	1.93	-
Software Expenses	33.75	6.14
Financial Charges	28.23	14.47
Communication Expenses	184.24	152.98
Traveling Expenses	137.78	94.71
Business Promotion	111.36	163.91
Electricity, Water & Diesel Charges	68.81	64.47
Legal, Professional & Consultancy Fee	296.60	320.65
Repairs & Maintenance	89.27	75.12
Rates & Taxes	7.45	17.56
Miscellaneous Expenses	1.98	1.52
Total	1342.07	1169.06

Schedule 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

The financial statements of the subsidiary, joint venture incorporated in India have been prepared in accordance with the GAAPs in India, comply with the requirements of Companies (Accounting Standards) Rules, 2006 and other requirements of Companies Act, 1956 and that of foreign subsidiary comply with the local laws and applicable Accounting Standards.

2. Use of Estimates

The preparation of financial statements requires the management of the Parent company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, provision for income taxes, retirement benefits, the useful lives of fixed assets and intangible assets. Actual results could differ from such estimates.

3. Principles of Consolidation

- (a) The financial statements of the subsidiary(s) used in the consolidation are drawn up to the same reporting date as of the Company. Subsidiary companies are those in which, Bodhtree Consulting Ltd., holds directly/indirectly have an interest of more than one-half of the voting power or otherwise have the power to exercise control over the operations.

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary(s) are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses.
- ii. Inter-Company balances and transactions and unrealized profits or losses are eliminated.
- iii. The excess of cost to the Company of its investments in subsidiary company(s) over its share of the equity of the subsidiary company at the date on which the investment in the subsidiary company are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements.

Alternatively, where the share of equity in the subsidiary company(s) as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' arising on consolidation, in the consolidated financial statements.

- iv. Minority Interest represents the proportionate share of net assets and net income of the subsidiary(s), which are not attributable to the parent.
- (b) Investments in associate companies, if any, will be accounted for, by using the "Equity method" whereby investments is initially recorded at cost and the carrying amount will be adjusted for post acquisition change in the company's share of net assets of the associate.
- (c) The financial statements of the joint venture(s) used in the consolidation are drawn up to the same reporting date as of the Company.

The company's interests in Jointly Controlled Entity are consolidated on a proportionate consolidation basis. Like items of assets, liabilities, income and expenses are added together on a line-by-line basis to the extent of its share in the Jointly Controlled Entity.

Inter-company balances and inter-company transactions and resulting unrealized profits / losses are eliminated.

4. Revenue Recognition

Revenue from software development is recognised based on software developed and billed to clients.

5. Fixed Assets & Depreciation

Fixed Assets are accounted at cost of acquisition inclusive of other related expenses on such acquisition. They are stated at cost less accumulated depreciation.

Depreciation on fixed assets is provided on a pro-rata basis using straight-line method at rates as per Schedule XIV to the Companies Act 1956.

6. Investments

Investments are classified into long term Investments and current investments. Long term Investments are stated at cost. Provision for diminution is made to recognize a decline, which is other than temporary. Current investments are stated at lower of cost and fair value. Any reductions in current investments and any reversals of such amounts are charged/ credited to the Profit & Loss Account.

7. Foreign Exchange Transactions/Translations/ Foreign Operations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange fluctuations arising on payment or realization are dealt with in the Profit and Loss Account. Monetary Items like Current Assets and Current Liabilities are restated at the year-end closing rate as applicable and any differences arising thereof have been dealt with in the Profit and Loss Account to the extent it pertains to the current year.

Financial statements of integral foreign operations are translated in the same manner as foreign currency transactions, as described above. Any exchange differences arising thereof, are dealt in the Profit & Loss Account.

Financial statements of non-integral foreign operations are translated as under:

- a) Assets & Liabilities at the rate prevailing at the year end. Depreciation is accounted for at the same rate at which assets are translated.
- b) Income & Expenses at the average rates prevailing during the year.

Exchange differences arising on such translation of non-integral foreign operations are transferred to Foreign Currency Translation Reserve.

8. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. All leases are operating leases. Operating lease charges are recognized as an expense in the profit and loss account over the lease term.

9. Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

10. Employee Benefits**Defined Contribution schemes**

Payments to defined contribution post - retirement benefit schemes such as PF and ESI are charged as an expense as they fall due.

Defined Benefit schemes

The liability for gratuity and leave encashment is being provided for on the basis of the actuarial valuation as at the year end.

11. Taxation

Income tax comprises of current tax and deferred tax. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

12. Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. 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-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

13. Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of 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.

14. Provisions & Contingencies

The company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

A disclosure of contingent liability will be made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No disclosure will be made if the possibility of outflow is remote.

B. NOTES TO ACCOUNTS:

1. Basis of Preparation

(a) The consolidated financial statements incorporate the financial statements of the parent and its subsidiary(s) and joint venture made upto 31 March each year. They are prepared in accordance with Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' notified under Companies (Accounting Standards) Rules, 2006.

All significant inter-company transactions and balances are eliminated on consolidation. Goodwill arising on consolidation represents the excess of the cost of acquisition over the book value of assets and liabilities at the date of acquisition.

(b) The significant accounting policies and notes to accounts to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position.

2. List of subsidiaries, joint ventures, associates considered for consolidation

Name of the company	Country of Incorporation	Ownership Interest	
		31/3/2010	31/3/2009
Subsidiaries			
Pressmart Media Ltd.	India	71.74 %	71.74 %
Pressmart Media Inc. ^	USA	100 %	100 %
Joint Ventures – Jointly Controlled Entity			
Learnsmart (India) Private Ltd	India	41 %	50%
^ Pressmart Media Inc is a wholly owned subsidiary of Pressmart Media Ltd.			
The consolidated financial statements of Pressmart Media Ltd. are used for the purpose of consolidation.			
Interests in Joint Venture are accounted for on the basis of Proportionate Consolidation method.			

3. Prior Period Items

Prior period items include business promotion expenses of ₹ 212.64 lacs relating to its joint venture, Learnsmart (India) Pvt. Limited and they pertain to earlier years.

4. Segment Information

The group has only one identifiable reporting segment i.e. software development and related services like e-paper processing, e-archival and online assessment.

5. Party Confirmations

Balances outstanding in debtors, creditors and other advance accounts are yet to be confirmed. Party-wise recoverability of amounts is ascertained. Debtors to the extent of ₹ 35.91 lacs are written off in the case of subsidiary. All other debtors and advance accounts are good and recoverable.

6. Secured Loans

Loans equivalent to ₹ 54.32 lacs are secured by hypothecation of vehicles financed by HDFC Bank Ltd. and Reliance Capital Ltd.

7. Share Application Money

Share application money of ₹ 375.00 lacs as on 31st March 2009 represents the company's proportionate share in its Joint Venture.

8. Miscellaneous Expenditure (to the extent not written off)

Miscellaneous Expenditure represents the unamortized preliminary expenses of the Indian subsidiary.

9. Related Party Disclosures**(a) List of Related Parties****Subsidiaries**

Pressmart Media Ltd.

Pressmart Media Inc, a wholly owned subsidiary of Pressmart Media Ltd.

Joint Ventures

Learnsmart (India) Private Limited

Key Managerial Personnel

Dr. Akila Jaikumar

Mr. H.Natarajan

Others

Mr. Sanjiv Gupta – Promoter & Chairman

BCL Employees Benefit Trust

(b) Transactions with Related Parties

Name of Party	Relationship	Nature & Amount of Transaction	
		2009-10	2008-09
Pressmart Media Ltd.	Subsidiary	Investments in shares Nil	Investments in shares ₹ 221.99 lacs
		Sale of fixed assets: ₹ 15.36 lacs	Sale of fixed assets: ₹ 78.57 lacs
		Sales during the year ₹ 34.34 lacs	Sales during the year Nil
		Balance Receivable at the end of the Year ₹ 13.06 lacs	Balance Receivable at the end of the Year ₹ 33.10 lacs
Learnsmart (India) Private Ltd.	Joint Venture between Bodhtree & Unified Council	Balance Receivable at the end of the year ₹ 338.17 lacs	Balance Receivable at the end of the year ₹ 270.04 lacs
Mr. Sanjiv Gupta	Chairman	Sitting Fees paid ₹ 0.18 lacs	Managerial Remunera- tion of ₹ 8.77 lacs [^]
Dr. Akila Jaikumar	Executive Director	Managerial Remuneration of ₹ 26.90 lacs	Managerial Remuneration of ₹ 24 lacs
Mr. H. Natarajan	Executive Director	Managerial Remuneration of ₹ 25.78 lacs ^{^^}	Managerial Remuneration of ₹ 6.44 lacs ^{^^^}
BCL Employees Benefit Trust	Trust formed for benefit of employees	Unsecured Loans at the end of the year Nil	Unsecured Loans at the end of the year ₹ 23.48 lacs

[^] Managing Director upto 12th August 2008

^{^^} Out of the above remuneration to Executive Director (Corporate Affairs), the commission of ₹ 5.38 lakhs to be paid only after adoption of the accounts by the shareholders.

^{^^^} Appointed w.e.f. 5th January 2009

10. Earnings Per Share

Particulars	2009-10	2008-09
Profit After Tax used for calculating Basic EPS and Diluted EPS	₹ (663.67) lacs	₹ (228.41) lacs
Weighted average number of equity shares outstanding for the purpose of calculating Basic and Diluted EPS	6,342,167	5,623,043
Nominal Value of share	₹ 10/-	₹ 10/-

11. Previous Year Figures : The previous year figures have been regrouped wherever necessary.

 Per and subject to our report of even date
 For Gokhale & Co.
 Chartered Accountants

For and on behalf of the Board
Chandrashekar Gokhale
 Partner
 Place : Hyderabad
 Date: May 28, 2010

Bidhan Chandra Debata
 Company Secretary

H. Natarajan
 Director

Sanjiv Gupta
 Director

Bodhtree Consulting Limited
Consolidated Cash Flow Statement for the year ended 31st March 2010

Rupees in Lakhs

Particulars	2009-10	2008-09
I Cash Flows from Operating Activities		
<i>Profit Before Tax as per Consolidated P& L Account</i>	(828.27)	(356.22)
Adjustments for:		
Depreciation & Amortization	162.33	144.16
Exchange differences on consolidation of foreign subsidiary	(3.40)	0.95
Miscellaneous expenditure written off	0.36	0.40
Interest on secured loans	7.81	4.34
Interest on unsecured loans	1.69	3.00
Provision for bad and doubtful debts	-	25.96
(Profit) / Loss on sale of fixed assets	42.59	6.65
Adjustment on account of dilution of interest in joint venture	37.36	-
Prior period items	230.19	(24.20)
Operating Profit before working capital changes	(349.34)	(194.96)
Adjustments for working capital changes :		
(Increase)/Decrease in sundry debtors	(293.23)	(465.24)
(Increase)/ Decrease in deposits and advances	(38.09)	(76.81)
Increase/(Decrease) in current liabilities	(43.93)	109.33
Increase/(Decrease) in provisions	381.17	35.55
Cash Generated from Operations	(343.42)	(592.13)
Income taxes paid during the year	(159.68)	(70.37)
Cash flows before extra-ordinary items	(503.10)	(662.50)
Extraordinary Items	-	-
Net Cash Flows from/ (used in) Operating Activities	(503.10)	(662.50)
II Cash Flows from Investing Activities		
Purchase of fixed assets	(153.34)	(138.71)
Sale of fixed assets	7.78	19.34
Purchase of mutual funds	-	(2,500.00)
Redemption of mutual funds	1700.00	800.00
Net Cash Flows from/ (used in) Investing Activities	1,554.44	(1,819.37)
III Cash Flows from Financing Activities		
Proceeds from issue of shares	-	84.09
Minority Interests	-	2,484.81
Proceeds from / (Repayment of) secured loans	(13.49)	51.30
Interest paid on secured loans	(7.81)	(4.35)
Interest paid on unsecured loans	(0.35)	(0.62)
Repayment of unsecured loans	(24.82)	(30.46)
Dividends paid	(63.42)	-
Corporate Dividend Tax paid	(10.78)	-
Net Cash Flows from / (used in) Financing Activities	(120.67)	2,584.77
IV Net Increase/(Decrease) in cash flows during the year (I+II+III)	930.67	102.90
Cash & cash equivalents at the beginning of the year	293.10	190.20
Cash & cash equivalents at the end of the year	1,223.77	293.10

The figures in () indicate outflow

Previous year figures have been regrouped wherever necessary

Chandrashekar Gokhale
 For Gokhale & Co., Partner

Bidhan Chandra Debata
 Company Secretary

H. Natarajan
 Director

Sanjiv Gupta
 Director

Place : Hyderabad
 Date: May 28, 2010

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PRESSMART

Board of Directors

Mr. Sanjiv Gupta
Mr. Asad K. Latif
Mr. Vinod Kumar Dham
Mr. Sateesh Kumar Andra
Mr. Vikram Simha T.
Mr. Mohanjit Singh Jolly

Managing Director and CEO
Director
Director
Director
Director
Director

Auditors

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

Bankers

HDFC Bank Ltd

Registered Office

8-2-268/R/5, Sri Lakshmi Narasimha Sai
Sagar Society, Road No. 2,
Banjara Hills, Hyderabad - 500 034.
Phone : (040) 66124000
Fax : (040) 66124029
URL : www.pressmart.com

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Fourth Annual Report of the Company together with Audited Accounts of the Company for the year ended 31st March 2010.

Financial Result

During the year under review, Company posted a turnover of Rs.5,14,17,983 as against Rs. 3,52,89,379 in the previous year. The loss during the year amounted to Rs. 10,51,76,840 as against loss of Rs. 10,23,65,979 in the previous year.

Dividend

In view of loss incurred by the company during the year no dividend is recommended by the board.

Public Deposits

During the year under review, your Company has neither invited nor accepted any deposits from the public.

Subsidiaries

Your company has a subsidiary in the name of Pressmart Media Inc., USA.

The 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. Pursuant to the applicable regulations in USA, where the subsidiary is incorporated, audit of the company is not mandatory. Hence, the report of auditors has not been attached to the financial statements.

Director's Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- i. in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that were 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 the year under review;
- iii. the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a "going concern" basis.

Particulars of Employees

The details of employees as specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed and form part of this report.

Audit Committee

As required by Section 292A of the Companies Act, 1956, the Audit Committee has been duly constituted by the Board, with Mr. Sanjiv Gupta, Mr. Asad K Latif and Mr. Mohanjit Jolly as members.

Remuneration Committee

On 10th February, 2010 the company constituted a Remuneration Committee with Mr. Dham Vinod Kumar, Mr. Asad K Latif and Mr. Mohanjit Jolly as its members.

PRESSMART

Auditors

M/s Gokhale & Co., Chartered Accountants of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company is in receipt of confirmation from M/s Gokhale & Co, Chartered Accountants that in the event of their re-appointment as statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in sub section (1B) of section 224 of the Companies Act, 1956.

Directors

In terms of the Shareholders Agreement, all Directors other than CEO retire at the ensuing Annual General Meeting. Your board recommends their reappointment in the best interest of the Company.

Appropriate resolutions are being proposed for reappointment of the retiring Directors.

Report on conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption is not applicable to the company.

Foreign Exchange Earning and Outgo

Foreign Exchange Earned – Rs. 4,74,06,051

Foreign Exchange Outgo – Rs. 1,94,58,755

Acknowledgement

The Board of Directors wish to place on record their appreciation for the support and cooperation extended by shareholders.

For and on behalf of the Board

Place: Hyderabad
Dated: 14th July, 2010

Sanjiv Gupta
Managing Director

Asad K Latif
Director

Annexure to Directors' Report

Information as required under section 217(2A) of the Companies Act, 1956 read with the Companies (particular of Employees) Rules, 1975 and forms part of Directors Report for the year ended 31st March 2010.

S. No.	Employee name	Designation / Nature of Duties	Age	Qualification	Remuneration	Experience in years	Commencement of Employment	Previous employment
1	Mr. Sanjiv Gupta	Managing Director/ CEO	49	Bcom (Hons)	Rs. 30,00,000	26	May 1, 2008	Managing Director, Bodhtree Consulting Limited
2	Mr. Kaliprasad Naidu	Chief Operating Officer	53	MBA	Rs. 46,95,507*	26	Dec 1, 2008	Vice-President, Sun Microsystems Inc.
3	Mr. Aditya Samdhani	Head Technical	37	MBA	Rs. 32,00,000	13	May 1, 2008	Head-Technology, Bodhtree Consulting Limited
4	Mr. Navneet Taori	Business Development Head	35	MBA	Rs. 32,00,000	11	May 1, 2008	Head-BD, Consulting Bodhtree Limited

* During the year Mr. Kaliprasad Naidu resigned from the office of Chief Operating Officer of the company.

Notes:

1. Remuneration includes basic salary, commission, allowances, taxable value of perquisites etc.

For and on behalf of the Board

Place: Hyderabad
Dated: 14th July, 2010

Sanjiv Gupta
Managing Director

Asad K Latif
Director

AUDITOR'S REPORT

The Members
PRESSMART MEDIA LIMITED
Hyderabad

We have audited the attached Balance Sheet of PRESSMART MEDIA LIMITED, Hyderabad as at March 31, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we report that:
 - a. We have 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 appears from our examination of those books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010 and
 - b. In the case of the Profit & Loss Account, of the Loss of the company for the year ended on March 31, 2010.

For Gokhale & Co
Chartered Accountants

Chandrashekhar Gokhale
Partner
Membership No 23839
Firm Regn. No. 000942S

Date: 24 May, 2010.

ANNEXURE

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956 (1 of 1956) and on the basis of such checks, as we considered appropriate, we further report that:

- (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management according to the phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is reasonable, no material discrepancies were noticed. The company has not disposed off substantial part of its fixed assets during the year.
- (ii) There are no loans or advances taken in this year from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iii) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of its products.
- (iv) Transactions that need to be entered into a register in pursuance of section 301 of the Act have been entered. In our opinion and based on information and explanations given to us transactions of the value of Rs 5 lakhs or more have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (v) The company has not accepted deposits from the public covered by the provisions of section 58 A of the Companies Act.
- (vi) The company has an internal audit system commensurate with its size and business activities.
- (vii) The company is not required to maintain any cost records under clause (d) of sub-section (1) of section 209 of the Act.
- (viii) The provisions of Provident Fund and ESI were not applicable to the company for the year under audit. According to the explanations and information given to us there were no undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty etc outstanding for a period of more than six months from the date they became payable.
- (ix) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) On the basis of information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

The other clauses of the order are not applicable to the company for the year under audit.

For Gokhale & Co
Chartered Accountants

Chandrashekhar Gokhale
Partner
Membership No 23839
Firm Regn. No. 000942S

Date: 24 May, 2010.

Pressmart Media Limited
Balance sheet as at March 31, 2010

Particulars	Schedule	As at 31-Mar-10	As at 31-Mar-09
		Rs.	Rs.
I SOURCES OF FUNDS :			
1. Shareholders Funds	1		
a. Share Capital		159,378,200	159,378,200
b. Reserves & Surplus		221,631,178	221,631,178
Total		381,009,378	381,009,378
II APPLICATION OF FUNDS:			
1. Fixed Assets:	2		
Gross Block		67,430,504	54,609,349
Less: Depreciation		<u>18,261,941</u>	<u>9,373,869</u>
Net Block		49,168,563	45,235,480
2. Investments	3	49,460	170,049,460
3. Current Assets, Loans & Advances	4		
Cash & Bank Balances		51,449,864	6,993,577
Sundry Debtors		30,023,546	16,220,483
Loans & Advances		<u>9,564,975</u>	<u>11,609,840</u>
		91,038,385	34,823,900
Less: Current Liabilities & Provisions	5		
Current Liabilities		12,522,154	19,172,382
Provisions		<u>4,996,753</u>	<u>3,058,495</u>
		17,518,907	22,230,877
Net Current Assets		73,519,478	12,593,023
4. a] Miscellaneous Expenditure (to the extent not written off)	6	327,393	363,771
b] Profit and Loss Account		257,944,484	152,767,644
Total		381,009,378	381,009,378
Notes to Accounts	11		
<p><i>Per & subject to our report of even date for Gokhale & Co. Chartered Accountants</i></p> <p align="right">For and on behalf of the Board</p>			
Chandrashekhar Gokhale Partner	Sanjiv Gupta Managing Director	Asad K Latif Director	
<p>Place: Hyderabad Date : May 24, 2010</p>			

Pressmart Media Limited
Profit & Loss Account for the year ended March 31, 2010

Particulars	Schedule	Apr-09 to Mar-10 Rs.	Apr-08 to Mar-09 Rs.
A. INCOME			
Sales	7	51,417,983	35,289,379
Other Income	8	8,079,270	6,542,582
Total		59,497,253	41,831,961
B. EXPENDITURE			
Payments to and provision for employees	9	65,543,818	54,892,963
Administrative Expenses	10	90,098,538	82,024,128
Depreciation	2	8,995,359	6,901,843
Preliminary Expenses Written off		36,378	40,419
Total		164,674,093	143,859,353
Profit/(Loss) for the year before Tax (A-B)		(105,176,840)	(102,027,392)
Provision for Fringe Benefit Tax		-	372,195
Prior Period Income		-	33,608
Profit / (Loss) after Tax		(105,176,840)	(102,365,979)
C. Earning per Share			
- Basic		(14.35)	(14.59)
- Nominal Value of per equity share		10	10
- Weighted average no. of Equity Shares outstanding during the year		7,329,048	7,016,128
<p><i>Per & subject to our report of even date for Gokhale & Co.</i> Chartered Accountants</p> <p align="right">For and on behalf of the Board</p> <p> Chandrashekhar Gokhale Sanjiv Gupta Asad K Latif Partner Managing Director Director </p> <p>Place: Hyderabad Date : May 24, 2010</p>			

**Pressmart Media Limited
Schedules to Balance Sheet**

Particulars	As at 31-Mar-10 Rs.	As at 31-Mar-09 Rs.
Schedule 1		
Shareholders Funds		
I Authorised Share Capital		
19,000,000 Equity Shares of Rs.10 each	190,000,000	190,000,000
9,000,000 Preference Shares of Rs.10 each	90,000,000	90,000,000
	<u>280,000,000</u>	<u>280,000,000</u>
II Issued, Subscribed & Paid-up Capital		
73,29,048 Equity shares of Rs.10 each	73,290,480	73,290,480
86,08,772 Preference Shares of Rs.10 each	86,087,720	86,087,720
(Compulsorily Convertible into Equity Shares)	<u>159,378,200</u>	<u>159,378,200</u>
III Reserves & Surplus		
Share Premium	221,631,178	221,631,178
	<u>221,631,178</u>	<u>221,631,178</u>
Schedule 3		
Investments		
Current Investments:		
Mutual Fund		
HDFC CASH MGMT FUND	-	170,000,000
Long Term Investments:		
Pressmart Media Inc		
(Investment in WOS 100,000 shares		
@ US\$ 0.010 per share)	49,460	49,460
	<u>49,460</u>	<u>170,049,460</u>

Pressmart Media Limited

Schedule : 2 Fixed Assets

S. No.	PARTICULARS	Gross Block				Depreciation				Net Block	
		As on 1.04.2009	Additions During the Period	Deletions	As on 31.03.2010	As on 1.04.2009	For the Period 1-04-2009 to 31.03.2010	Deletions	Total	As on 31.03.2010	As on 31.03.2009
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Computer - Hardware	13,053,828	5,245,129		18,298,957	1,558,069	2,597,745	-	4,155,814	14,143,142	11,495,759
2	Computer - Software	36,653,844	5,793,221		42,447,065	7,444,382	6,089,296	-	13,533,678	28,913,387	29,209,463
3	Plant & Machinery	1,705,521	340,548	1,011,327	1,034,742	145,848	55,455	105,724	95,579	939,163	1,559,673
4	Electrical Items	1,000,610	24,832	14,985	1,010,457	82,501	47,786	1,563	128,724	881,733	918,109
5	Office Equipment	516,553	998,680		1,515,233	14,306	53,433	-	67,739	1,447,494	502,247
6	Furniture & Fixtures	1,048,992	2,075,058		3,124,050	128,763	151,644	-	280,407	2,843,643	920,229
7	CWIP-Furniture & Fixtures	630,000	1,170,000	1,800,000	-	-	-		-	-	630,000
	Total	54,609,349	15,647,467	2,826,312	67,430,504	9,373,869	8,995,359	107,287	18,261,941	49,168,563	45,235,480
	Previous Year Totals	44,270,855	10,338,494	-	54,609,349	2,472,026	6,901,843	-	9,373,869	45,235,480	41,798,829

Pressmart Media Limited Schedules to Balance Sheet

Particulars		As at 31-Mar-10 Rs.	As at 31-Mar-09 Rs.	
Schedule 4				
Current assets, Loans & Advances :				
A. Cash & Bank Balances:				
Cash in Hand	1,100		37,979	
Cash at Bank				
With Scheduled Banks				
- in current account	49,926,797		5,240,872	
- in deposit account	1,439,445		1,239,445	
- with others	82,522	51,449,864	475,281	6,993,577
B. Sundry Debtors				
(Unsecured and considered good)				
- Debts outstanding for a period				
exceeding 180 day	11,925,878	7,703,956		
- Other Debts	18,097,668	12,112,417	19,816,373	
Less: Provision for Bad & Doubtful Debts	30,023,546	30,023,546	3,595,890	16,220,483
C. Loans & Advances				
Advances recoverable in cash or kind for				
value to be received				
(Unsecured and considered good)	7,685,374		3,289,739	
Advances to Subsidiary	-		5,095,000	
Deposits	1,879,601	9,564,97	3,225,101	11,609,840
Total Current Assets, Loans and Advances		91,038,385		34,823,900
Schedule 5				
Current Liabilities & Provisions :				
Current Liabilities				
i. Creditors for Expenses	5,651,759		11,429,485	
ii. Deposits Refundable	735,297		735,297	
iii. Rev Share Payable	2,724,255		1,329,272	
iv. Advance from Customers	3,410,843		2,368,494	
v. Advance from Holding Company	-	12,522,154	3,309,834	19,172,382
Provisions				
Gratuity	3,446,719		1,533,159	
Leave Encashment	1,462,478		920,654	
Sales Incentives	-		440,000	
Income Tax AY 2007-08	9,487		9,487	
FBT 08-09	78,069	4,996,753	155,195	3,058,495
Schedule 6				
Miscellaneous Expenditure				
i Preliminary Expenses		327,393		363,771
ii Profit & Loss a/c				
Balance brought forward	152,767,644		50,401,665	
Add : Loss for the period	105,176,840	257,944,484	102,365,979	152,767,644

Pressmart Media Limited
Schedules to Profit & Loss Account

Particulars	Apr -09 to 31-Mar-10 Rs.	Apr -08 to 31-Mar-09 Rs.
Schedule 7		
Sales		
Export Sales	47,406,051	28,449,960
Domestic Sales	4,011,932	6,839,419
Total	51,417,983	35,289,379
Schedule 8		
Other Income		
Exchange Fluctuation Income	-	1,241,645
Interest - HDFC FD	-	85,883
Dividend on Mutual funds	8,079,270	5,215,054
Total	8,079,270	6,542,582
Schedule 9		
Payments to and provision for employees		
Salaries	62,724,141	53,266,199
Gratuity	2,030,183	548,100
Leave Encashment	789,494	1,078,664
Total	65,543,818	54,892,963
Schedule 10		
Admn. & other Expenses		
Auditor's Remuneration	70,000	70,000
Books & Periodicals	68,704	45,320
Computer Hire Charges	92,250	44,500
Conveyance	313,327	56,252
Exchange Fluctuation Loss	3,120,648	-
Furniture & fixture hire Charges	2,184,000	-
Insurance	494,255	166,149
Pressmart Wos Exp	8,926,440	8,219,868
Printing & Stationery	797,087	460,360
Recruitment & Training	15,268	639,554
Rent	5,514,950	4,861,206
Revenue Share-Exp	-	1,421,505
Sales Consultants(Foreign)	7,371,112	14,485,399
Software Expenses	3,374,502	729,097
Staff Welfare	2,028,059	742,120
Subscription & Membership	311,385	148,697
Bad debts written off/ Provision	3,591,288	2,595,890
Finance Charges	1,496,161	546,865
Business Promotion Expenses	6,862,612	14,535,215
Communication Expenses	12,714,849	8,132,041
Electricity, Water & Diesel Charges	3,558,510	2,544,678
Legal, Professional & Consultancy Fee	13,280,026	12,909,897
Loss on Sale of Fixed Assets	483,666	-
Miscellaneous Expenses	68,723	13,116
Rates & Taxes	665,058	1,518,280
Repairs & Maintenance Expenses	4,471,120	2,362,249
Traveling Expenses	8,224,540	4,775,870
Total	90,098,538	82,024,128

Schedule 11**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Accounting**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company

2. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, provision for income taxes, the useful lives of fixed assets and intangible assets. Actual results could differ from such estimates.

3. Revenue Recognition

Revenue from E-paper processing & Archival services is recognised based on services rendered and billed to clients under the "Completed Service Contract method".

4. Fixed Assets & Depreciation

Fixed Assets are accounted at cost of acquisition inclusive of other related expenses on such acquisition. They are stated at cost less accumulated depreciation.

Depreciation on fixed assets is provided on a pro-rata basis using straight-line method at rates as per Schedule XIV to the Companies Act 1956.

5. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange fluctuations arising on payment or realization are dealt with in the Profit and Loss Account.

Monetary Items like Current Assets and Current Liabilities are restated at the year-end closing rate as applicable and any differences arising thereof have been dealt with in the Profit and Loss Account to the extent it pertains to the current year.

6. Taxation

Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

7. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. All leases are operating leases. Operating lease charges are recognized as an expense in the profit and loss account over the lease term.

8. Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

9. Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. 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-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

10. Provisions & Contingencies

The company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

A disclosure of contingent liability will be made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. No disclosure will be made if the possibility of outflow is remote.

B. NOTES TO ACCOUNTS:

1) Deferred tax :

The company has incurred a loss in the current year as well as in the preceding year. If a provision were to be made as per Accounting Standard 22 the company will have a 'deferred tax asset'. However, taking a conservative view, no deferred tax asset has been created

2) Segment Information :

The company has only one identifiable reporting segment i.e. E-paper processing & archival services

3) Debtors :

Party-wise recoverability of amounts is ascertained and debts not recoverable are written off during the current year. All other debts and advance accounts are good and recoverable. Balances outstanding in debtors, creditors and other advance accounts are yet to be confirmed.

4) Remuneration to Managing Director :

(Figures in Rs.)

Remuneration to Managing Director	2009-10	2008-09
Mr. Sanjiv Gupta (from 01-04-2009 to 31-03-2010)	3,000,000	1,903,226

5) Auditors Remuneration:

(Figures in Rs.)

Auditors Remuneration:	2009-10	2008-09
As Auditor	70,000	70,000
In Other Capacities		
- taxation matters	Nil	Nil
- company law matters	Nil	Nil
- management services	Nil	Nil
In Other Manner	138,627	66,783

6) Lease Commitments - Operating Leases

The total future minimum lease rentals payable at the balance sheet date is as under: (Figures in Rs.)

Particulars as at	31.3.10	31.3.09
Not later than 1 year	7,096,032	68,56,248
Later than one year but not later than 5 years	25,547,316	205,68,744
Later than 5 years	-	342,81,240

7) Related Party Disclosures:

(a) Related Parties:

Company holding substantial interest in the voting power of the company : **Bodhtree Consulting Ltd.**

(b) Transactions with related parties:

Name of Party	Nature and amount of transactions	
	2009-10	2008-09
Bodhtree Consulting Ltd.	No. of shares held (Rs.10/- each @ 29.29 per share) 757,930 each	No. of shares held (Rs.10/- @ 29.29 per share) 757,930
	Payable at the end of the year – Rs. 1,281,091	Payable at the end of the year - Rs.3,309,834
Mr. Sanjiv Gupta, Managing Director	Managerial Remuneration of (from 01-04-2009 to 31-03-2010) Rs. 3,000,000	Managerial Remuneration of (from 13-08-2008 to 31-03-2009) Rs.1,903,226
Pressmart Media Inc., Subsidiary Company	No. of shares held by Pressmart Media Limited are 100,000 shares @ 0.01 USD	No. of shares held by Pressmart Media Limited are 100,000 shares @ 0.01 USD each
	Balance at the end of the year - Nil	Receivable at the end of the year – Rs. 5,095,000

8) Earnings Per Share:

Figures in Rs.

Particulars	31.3.10	31.3.09
Profit after Tax used for calculating Basic EPS and Diluted EPS	Rs. (105,176,840)	Rs.(102,365,979)
Weighted average number of equity shares outstanding for the purpose of calculating EPS	7,329,048	7,016,128
Nominal Value of share	Rs.10/-	Rs.10/-

9) Foreign Currency Transactions

Figures in Rs.

	2009-10	2008-09
Value of Imports – CIF Basis	Nil	78,71,284
Expenditure in Foreign Currency	19,458,755	31,655,199
Foreign Currency Earnings – FOB basis	47,406,051	28,587,453

10) Previous Year Figures : Previous year figures have been regrouped wherever necessary.

Per & subject to our report of even date
for Gokhale & Co.
Chartered Accountants

For and on behalf of the Board

Chandrashekhar Gokhale
Partner

Sanjiv Gupta
Managing Director

Asad K Latif
Director

Place: Hyderabad
Date : May 24, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I	Registration Details			
	Registration No. 051031		State Code 01	
	Balance Sheet Date : 31.03.2010			
II	Capital Raised during the Year		(Rupees in Thousands)	
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
III	Position of Mobilisation and Deployment of Funds		(Rupees in Thousands)	
	Total Liabilities	381009	Total Assets	381009
	Paid up Capital	159378	Reserves & Surplus	221631
	Net Fixed Assets	49169	Investments	49
	Net Current Assets	73519	Misc. Expenditure	327
	Accumulated Losses	257944		
IV	Performance of Company (Rupees in Thousands)			
	Turnover	51418	Total Expenditure	164674
	Profit before Tax	(105177)	Profit after Tax	(105177)
	Earning per Share (Rs)	(14.35)	Dividend Rate (%)	Nil
V	Generic Names of the Three Principal Products/Services of Company			
	Item Code No. (ITC Code) : 99999998			
	Product Description : Unspecified item. (The Company deals with distribution of electronic newspapers, periodicals & journals on behalf of clients).			
	Item Code No. (ITC Code) : Not Applicable			
	Product Description :			
	Item Code No. (ITC Code) : Not Applicable			
	Product Description :			

For and on behalf of the Board

Sanjiv Gupta
Managing Director

Asad K Latif
Director

Place: Hyderabad
Date : May 24, 2010

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DIRECTOR'S REPORT

To,
The Members,

Your directors have pleasure in presenting the second Annual Report of the company together with unaudited accounts of the company for the year ended 31/03/2010.

Financial Result :

During the year of operation company posted revenue of US\$ 193,322 the profit during the year amounted to US\$ 634

DIVIDEND :

No Dividend is recommended for the year.

President & CEO :

Mr. Sanjiv Gupta was appointed as president and chief executive officer of the corporation with effect from 30th April, 2009 replacing Mr. Nikhil Modi.

Acknowledgment :

The Board wish to place on record their appreciation for the support and cooperation extended by the shareholders.

By the order of the Board

Place: Hyderabad
Date: 17/05/2010

Sanjiv Gupta
President & CEO

Pressmart Media Inc.
Balance sheet as at March 31, 2010

Particulars	Schedule	As at 31-Mar-10 US \$	As at 31-Mar-09 US \$
I SOURCES OF FUNDS :			
1. Shareholders Funds			
a. Share Capital	1	1,000	1,000
b. Reserves & Surplus	2	12,762	12,127
		<u>13,762</u>	<u>13,127</u>
II APPLICATION OF FUNDS:			
1. Current Assets, Loans & Advances	3		
Cash & Bank Balances		15,778	123,233
Sundry Debtors		984	41,380
		<u>16,762</u>	<u>164,613</u>
Less Xurrent Liabilities & Provisions	4		
Current Liabilities		-	147,550
Provisions		3,000	3,935
		<u>3,000</u>	<u>151,485</u>
Net Current Assets		13,762	13,127
		<u>13,762</u>	<u>13,127</u>
Notes to Accounts	6		

Profit & Loss Account for the year ended March 31, 2010

Particulars	Schedule	Apr-01, 2009 to Mar-31, 2010 US \$	Oct3, 2008 to Mar-31, 2009 US \$
A. INCOME			
Service fee		193,287	163,890
Other Income		35	-
Total		<u>193,322</u>	<u>163,890</u>
B. EXPENDITURE			
Salaries		44,037	121,326
Administrative Expenses	5	141,438	30,436
Total		<u>185,475</u>	<u>151,763</u>
Profit before taxes		7,846	12,127
Less : Taxes		7,212	-
Profit after taxes		<u>634</u>	<u>12,127</u>

For and on behalf of the Board

Sanjiv Gupta
Chairman

Date : May 24, 2010

Schedules to Balance Sheet

	As at 31-Mar-10 US \$	As at 31-Mar-09 US \$
Schedule 1 - Share Capital Issued, Subscribed & Paid Up		
100,000 equity Shares of US\$ 0.01 each	1,000	1,000
Total	1,000	1,000
Schedule 2 - Reserves & Surplus		
Balance brought forward	12,127	-
Add: Profit for the year	634	12,127
Balance carried to Balance Sheet	12,762	12,127
Schedule 3 - Current Assets, Loans and Advances		
A. Cash & Bank Balances:		
Cash at Bank	15,778	123,233
B. Sundry Debtors (Unsecured and considered good)		
- Debts outstanding for a period exceeding 180 days	-	-
- Other Debts	-	41,380
C. Prepaid Expenses	984	-
Total	16,762	164,613
Schedule 4 - Current Liabilities and Provisions		
Current Liabilities		
Advance for services	-	100,000
Accrued expenses	-	47,550
Total	-	147,550
Provisions	3,000	3,935
Total	3,000	151,485

Schedule to Profit and Loss Account

	Apr 1, 2009 to Mar 31, 2010 US \$	Oct 3, 2008 to Mar 31, 2009 US \$
Schedule 5 - Administrative Expenses		
Consulting fee	100,000	-
Insurance	1,131	-
Sales and Marketing	16,517	-
Permits and License	85	85
Printing and Stationery	21	44
Rent	(3,495)	6,369
Computer and Other IT expenses	113	-
Finance charges	186	60
Legal and professional fee	17,761	8,305
Travel	6,362	14,949
Telephone	2,758	624
Total	141,438	30,436

Pressmart Media Inc.

Schedule 6 – Notes to accounts

1. Pressmart Media Inc. was incorporated on Oct 3, 2008 in California, USA. It is a wholly-owned subsidiary of Pressmart Media Limited.

For the previous period ended on Mar 31, 2009, financial statements were prepared from Oct 3, 2008 to Mar 31, 2009. For the current year ended on Mar 31, 2010, financial statements are prepared from Apr 1, 2009 to Mar 31, 2010. Therefore, figures for the current year are not comparable with those of previous period.

2. Description of Business

The Company is in the business of rendering support services to holding Company, Pressmart Media Limited. During the current year, services agreement with Pressmart Media Limited was terminated.

3. Revenue Recognition

Revenue from services was recognised based on services rendered and billed to clients under the "Completed Service Contract method".

For and on behalf of the Board

Sanjiv Gupta
Chairman

Date : May 17, 2010

BodhTree Consulting Limited

Regd. office: 1-8-617/2, Prakasham Nagar, Begumpet, Hyd-500016

ANNUAL GENRAL MEETING-29th September, 2010

ADMISSON SLIP

Member or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the company.

L.F.No. _____

No .of shares held _____

DP.Id*	
--------	--

Client Id*	
------------	--

Name (s) in full

Father/Husband's Name

Address as Regd.
with the company

1. _____

2. _____

3. _____

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE 28th ANNUAL GENERAL MEETING OF Bodhtree Consulting Limited on WEDNESDAY, THE 29TH SEPTEMBER, 2010 AT 05.00 P.M. AT HOTEL MANOHAR, AIRPORT EXIT ROAD, BEGUMPET, HYDERABAD-500016

Please ✓ in the box

☐

MEMBER

☐

PROXY

Member's Signature

Name of the Proxy in BLOCK LETTER

Proxy's Signature

*Applicable for investors holding shares in electronic form.

Notes: 1. Shareholders having any questions on accounts are requested to send them ten days in advance to enable the company to collect the relevant information.

2. Shareholders who come to attend the meeting are requested to bring their copies of the Annual Report with them.

3. Shareholders are requested to advise their change in address as well as request for consolidation of accounts, if any, to the Registered office of the company

BodhTree Consulting Limited

Regd. office: 1-8-617/2, Prakasham Nagar, Begumpet, Hyd - 500016

PROXY FORM

L.F.No. _____

No .of shares held _____

DP.Id*	
--------	--

Client Id*	
------------	--

Name (s) in full

Father/Husband's Name

Address as Regd.
with the company

1. _____

2. _____

3. _____

Being a member/members of BodhTree Consulting Limited, I / We hereby appoint

_____ of _____ in the district of _____ or failing

him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my /our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 29th September, 2010 and at any adjournment thereof.

Affix
30 Paise
Revenue
Stamp

Signed this _____ day of _____ 2010

Signature _____

*Applicable for investors holding shares in electronic form.

Notes: (i) The Form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting.

(ii) Please mark the envelope 'BodhTree-Proxy'

BODHTREE CONSULTING LIMITED

NOTICE

Notice is hereby given that the Twenty-eighth Annual General Meeting of Bodhtree Consulting Limited will be held at Hotel Manohar, Old Airport Exit Road, Begumpet, Hyderabad 500 016 on Wednesday, the 29th September 2010 at 5 PM. to consider the following business:

ORDINARY BUSINESS

1. To receive and consider the Audited Balance Sheet of the Company as at 31st March 2010, the Profit and Loss Account for the year ended on that date, and the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Muktesh Sharma, Director who retires by rotation, and is eligible for reappointment.
4. To appoint the Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of Sections 198, 269, 310, Schedule XIII and other applicable provisions of the Companies Act 1956, if any, the revision in remuneration of Dr. Akila Jaikumar, Wholetime Director (Operations) with effect from 1st October 2009 at the following terms, be and is hereby approved.”

Basic Salary: ₹ 2,00,000/- per month
HRA: 25% of the Basic Salary

Hyderabad
12th August, 2010

By Order of the Board,

Bidhan Ch. Debata
(Company Secretary)

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF. A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. Members who hold shares in the dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Register of Members and the Share Transfer Books will be closed from 22nd September 2010 to 29th September 2010 (both days inclusive).
5. The Dividend, if declared, will be payable to those shareholders whose names appear on the Register of Members on 21st September, 2010. In respect of shares held in dematerialised form in the depository system, the dividend will be paid to the beneficial owner(s) as per the list provided by the depositories.
6. Shareholders are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address and/or bank account details to ensure correct and prompt receipt of the Dividend Warrants.
7. A brief resume, nature of experience in specific functional areas and other directorship of committees in respect of the reappointment of Mr. Muktesh Sharma, Director is given in terms of clause 49 of the Listing Agreement.

Brief Resume of Director proposed to be reappointed

Mr. Muktesh Sharma (57) is at present the Business Partner, Karvy Stock Broking, a top-rung financial services company. The Board finds the rich experience of Mr. Sharma to be extremely useful, and his presence in the Board will be very beneficial to the Company.

Mr. Muktesh Sharma has been an non executive independent director of the company, and has also been the Chairman of the Shareholders Committee and Audit Committee of the Board. He is currently chairman of the Remuneration Committee of the company. He holds 7000 equity shares in the company.

Your Directors recommend that Mr. Muktesh Sharma be reappointed as a Director of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO.5

Members may recall that Dr. Akila Jaikumar was appointed as Wholetime Director (Operations) for a period of three years from 1st of December 2007, at a total remuneration of ₹. 2 lakhs per month. Your Board of Directors on the recommendation by the Remuneration Committee in its meeting held on 29th September, 2009 revised the gross remuneration of Dr. Akila JaiKumar, Wholetime Director (Operations) of the company from ₹.2 Lakhs per month to ₹. 2.50 Lakhs per month, as detailed in the resolution.

Subsequently, as reported in the Directors Report, Dr. Akila Jaikumar has resigned as Wholetime director (Operations) with effect from the 1st April, 2010.

Based on the Net Profits for the year ended 31st March 2010, the remuneration is well within the ceiling prescribed by Section 198 and Schedule XIII of the Companies Act, 1956. According to the provisions of Section 310 and Schedule-XIII of the Companies Act, the increase in remuneration requires the approval of the shareholders in General Meeting. The proposed Resolution is set out for this purpose.

Your Directors recommend that the resolution be passed as an ordinary resolution.

None of the Directors is interested in the above resolution.

Bodhtree Consulting Limited

8-2-351/N/1, Road No: 2, Banjara Hills, Hyderabad 34 AP India

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