

BODHTREE CONSULTING LIMITED

41ST ANNUAL REPORT

2022-23

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CORPORATE INFORMATION

Board of Directors

| | |
|------------------------------|---|
| Mr. Santosh Kumar Vangapally | Whole-time Director |
| Mr. L N Rama Krishna | Non-Executive Director |
| Mr. Katragadda Rajesh | Independent Director (Resigned w.e.f 3 rd February 2023) |
| Ms. P Subhashini | Independent Director |
| Mr Pattabiraman | Independent Director |
| Mr. Naveen Erva | Independent Director |
| Mr. Anil | Independent Director |

Sreenivasa Rao Ravinuthala

Resolution Professional

Chief Financial Officer

Mr. B R Naresh Kumar

Company Secretary & Compliance Officer

Kavitha Somavarapu (Resigned wef 03rd August 2022)

Pompa Mukherjee (Appointed wef 19.01.2023)

Bankers

HDFC Bank Ltd
Indian Overseas Bank

Registered Office

Level-2, Wing-A, Melange Towers,
Patrika Nagar, Madhapur
Hitech City, Hyderabad – 500081
Telangana, INDIA
Phones: +91-40-42619840
Fax: + 91-40-66222444
Email: cosecy@bodhtree.com
Website: www.bodhtree.com
CIN: L74140TG1982PLC040516

Registrar & Share Transfer Agents

Venture Capital and Corporate
Investments Private Limited
“Aurum”, Plot No.57, 4th & 5th Floors
Jayabheri Enclave Phase – II
Gachibowli, Hyderabad – 500 032.
Phone : 040-23818475 / 040-35164940 Extn.: 41
Email: info@vccilindia.com

Listed with

M/s. BSE Limited (Stock Exchange), Mumbai

Statutory Auditors

M/s. RSM & Associates, Chartered
Accountants
Flat No. 302, #3-5-168, Victoria Towers,
Opp. Shanthi Theatre,
Narayanaguda, Hyderabad
Telangana, 500029
India

Internal Auditors

Secretarial Auditors

M/s SPP & Associates
Company Secretaries
2-20-8/G/23, First Floor,
Sri Giri Colony, Adarsh Nagar,
Uppal, Medchal - Malkajgiri,
Hyderabad-500 039, Telangana, India.

M/s P R Varma & Co., Chartered Accountants,
H No. 1136/2RT, Flat No. 101, Sree Nilaya
Apartments, Near Nagarjuna High School, S.R.
Nagar, Hyderabad, Telangana, India 500038

BOARD COMMITTEES

Audit Committee

| | |
|--------------------|----------|
| Ms. Subhashini | Chairman |
| Mr L N Ramakrishna | Member |
| Mr. Naveen Erva | Member |

Stakeholders Relationship Committee

| | |
|---------------------|----------|
| Mr. Anil | Chairman |
| Mr. L N Ramakrishna | Member |
| Mr. Pattabiraman | Member |
| Mr. Naveen | Member |

Nomination and Remuneration Committee

| | |
|----------------------|----------|
| Mr. Naveen | Chairman |
| Mr. L N Rama Krishna | Member |
| Mr. Anil | Member |

Corporate Social Responsibility Committee

| | |
|------------------------------|----------|
| Mr. Santosh Kumar Vangapally | Chairman |
| Mr. L. N. Ramakrishna | Member |
| Mr. Naveen Erva | Member |

NOTICE

Notice is hereby given that the 41st Annual General Meeting of the Members of Bodhtree Consulting Limited will be held at 11:00 A.M. on Saturday, 30th day of September, 2023 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. a) To receive, consider and adopt:

The audited financial statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended 31 March 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

b) The audited consolidated financial statements of the Company for the financial year ended March 31 2023 and the Report of the Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31 March 2023 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. Appointment of Mr. Santosh Kumar Vangapally (DIN: 09331903), liable to retire by rotation

To appoint a Director in place of Mr. Santosh Kumar Vangapally (DIN: 09331903) who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Santosh Kumar Vangapally (DIN:09331903), who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. To approve existing as well as new material related party transactions with Bodhtree Consulting LLC and other related parties.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (LODR) Regulations, 2015 as amended from time to time, the applicable provisions of Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/Statutory Provisions, if any, including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force, the Company’s policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and based on the approval and recommendations of the Audit Committee and the Board of Directors of the Company, the approval of members of the company be and is hereby accorded to the company to enter/ continue to enter into Material Related Party transaction(s)/ Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of individual transaction or series of transactions taken together with entities falling within the definition of “Related Party” under Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI (LODR) Regulations, 2015 in the course of (a) availing and rendering of IT Services/ITeS/Consulting Services (b) reimbursement of expenses including toward availing/providing for sharing /usage of each other’s resources (c) transfer of any resources, services or obligations to meet its business objectives/requirements on such material terms and conditions as may be mutually agreed between related parties and the company from time to time including the transactions which are under ordinary course of business and at arm’s length basis.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By Order of the Board of Directors
For Bodhtree Consulting Ltd**

Place: Hyderabad
Date: 08-09-2023

**Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704**

**Santosh Kumar Vangapally
Whole-time Director
(DIN: 09331903)**

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”) have vide various circulars, allowed companies
 - i. to send the annual reports to shareholders who have registered their email ID with the Company / Depositories only on email; and
 - ii. to hold Annual General Meeting (“AGM”) through VC or OAVM without the physical presence of members at a common venue. Hence, in accordance with these Circulars, the 41st AGM of the Members of the Company is being held through VC / OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC / OAVM is annexed herewith and available at the Company’s website www.bodhtree.com.

In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circular, the Meeting of the Company is being held through VC / OAVM (hereinafter referred to as “AGM” or “e-AGM”). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. Pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form is not annexed to this Notice.
6. Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/ OAVM. Corporate Members intending to attend the Meeting through their

authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/ JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorisation shall be sent to the Company by email through its registered email address, i.e. cosecy@bodhtree.com, which shall reach us at least 7 days before the scheduled date of AGM.

7. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
8. Members attending the Meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is **INE104F01011**. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding
10. Pursuant to the provisions of Section 124 of the Companies Act 2013, the details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. The seven year period of "Unpaid and Unclaimed dividend for the year 2016-17 and 2017-18 expires on 26 August, 2024 and 19th October 2025 respectively and the same will be transferred to the "Investor Education and Protection Fund".
11. a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants
12. Non-Resident Indian Members are requested to inform the Company's registrar & Transfer Agent (RTA), Venture Capital and Corporate Investments Private Limited (VCCIPL), immediately of
 - Change in their residential status on return to India for permanent settlement
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to VCCIPL.(Venture Capital and Corporate Investments Private Limited)
14. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
15. All relevant documents referred in the accompanying Notice and explanatory statement shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at cosecy@bodhtree.com.

16. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with VCCIPL/ their Depository Participant to enable the Company to send communications electronically.
17. Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to write to the Company to: cosecy@bodhtree.com, at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
18. Pursuant to the requirement under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed / appointed is given in Annexure – A to the notice.
19. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
21. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://bodhtree.com/about-us/investors/>. The Notice can also be accessed from the websites of the Stock Exchanges BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
22. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Wednesday, 27th September 2023 at 09:00A.M. and ends on Friday, 29th September, 2023 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (**cut-off date**) i.e. **23rd September 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, **being 23rd September 2023**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select |

| | |
|---|--|
| | <p>“Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  App Store  Google Play</div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per |

| | |
|--|--|
| | <p>the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|------------|------------------|
|------------|------------------|

| | |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cosecy@bodhtree.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Swapneel Puppala at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cosecy@bodhtree.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cosecy@bodhtree.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cosecy@bodhtree.com). The same will be replied by the company suitably.

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

As per the provisions of Sec 102 of the Companies Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 of the above notice:

Item No. 3

The Securities and Exchange Board of India (“SEBI”), vide its notification dated November 9, 2021, has Notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 (“Amendments”) introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The aforesaid amendments inter-alia included replacing of current threshold i.e 10% (ten percent) of the listed entity’s consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders’ approval with the threshold of lower of `1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022. In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval and considering the fact that the list of related parties will change dynamically with no action on the part of the Company and to facilitate seamless contracting and rendering/availing of services between the Company and “related parties”, the Company seeks the approval of the shareholders to approve entering into material contracts / arrangements with the related parties which were approved by Audit Committee.

None of the Directors/Key Managerial Personnel of the Company or their relatives except Mr. L N Ramakrishna are concerned or interested, financially or otherwise in the resolution set out at the item No 3 of the Notice.

The Board recommends the resolution as an Ordinary Resolution for approval of the Members

**By Order of the Board
For Bodhtree Consulting Ltd**

Place: Hyderabad
Date: 08-09-2023

**Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704**

**Santosh Kumar Vangapally
Whole-time Director
(DIN: 09331903)**

Annexure-A

Details of Directors as on Mach 31, 2023 seeking appointment/ re-appointment/ regularization at the Annual General Meeting
(Pursuant to Reg. 36 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015)

| | | |
|----------|--|--|
| A | Name | Mr. Santosh Kumar Vangapally |
| B | Date of birth | 27-08-1969 |
| | Educational Qualification | Post Graduate Diploma in Business Management |
| | Experience/Experience in specific functional area | He has more than 20 yrs of Experience in Aviation, IT and Real Estate Industry |
| | Date of appointment on the board of the Company (Bodhtree Consulting Ltd) | 04 th October 2021, (DIN No: 09331903) |
| | Last Remuneration drawn | 11.57 Lakhs (Annual) |
| C | Terms and conditions of appointment/re-appointment along with details of remuneration | The original date of appointment as Whole Time Director was 04 th October 2021 for a term of 3 years w.e.f. 'subject to approval of the members in the ensuing General Meeting. |
| D | Number of Board meetings attended during the year | 7 |
| E | Directorship held in other Companies (excluding foreign and Section 8 Companies) | Nil |
| F | Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee) | Nil |
| G | No. of shares of Rs.10/- each held by the Director | Nil |

| | | |
|---|--|------|
| H | Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014) | None |
|---|--|------|

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **Forty First Annual Report** of Bodhtree Consulting Limited (the “Company” or “Bodhtree”) on the business and operations and the Audited Accounts for the financial year ended 31 March, 2023, together with the Auditors’ Report thereon. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Summary:

Your Company’s results (Standalone and consolidated) for the year in comparison with the previous year are given below in a summarized format:

| Particulars | Standalone (Re. in Lakhs) | | Consolidated (Re in lakhs) | |
|---|------------------------------|------------------|-------------------------------|------------------|
| | 2021-22 | 2022-23 | 2021-22 | 2022-23 |
| Income from Operations | 10419.04 | 3933.99 | 10419.04 | 3933.99 |
| Other Income | 209.62 | 345.06 | 209.62 | 345.06 |
| Total Income | 10628.66 | 4279.05 | 10628.66 | 4279.05 |
| Operating Expenditure | 1000.48 | 6727.75 | 10005.59 | 6873.50 |
| Profit before depreciation & Tax | 517.18 | (2560.14) | 512.07 | (2594.44) |
| Depreciation | 472.42 | 44.92 | 472.42 | 44.92 |
| Operating Profit/Loss | 44.76 | (2605.07) | 39.65 | (2639.37) |
| Prior Period & Exceptional Items | 0 | 0 | 0 | 0 |
| Profit/Loss before Tax & Extra-Ordinary Items | 44.76 | (2605.07) | 39.65 | (2639.37) |
| Extra-ordinary Items | 0 | 0 | 0 | 0 |
| Tax Expense / (Reversal) | 90.17 | 0 | 90.17 | 0 |
| Deferred Tax Liability / (Asset) | (117.65) | 21.17 | (117.65) | 21.176 |
| Profit (Loss) after tax | 72.24 | (2626.24) | 67.13 | (2660.55) |
| Other Comprehensive Income | (2.90) | 1.147 | (2.90) | 1.147 |
| Total Comprehensive Income | 69.34 | (2625.13) | 64.23 | (2659.43) |

Company's Performance:

During the year under review the Company reported a total income of Rs. 4279.05 Lakhs. The Operating Loss amounted to Rs. 2639.375 Lakhs. Our Loss After Tax for the year stood at Rs. 2660.551 Lakhs. The results are in line with best practices adopted by your company in accounting standards and corporate governance.

CIRP:

Company went into CIRP vide order passed by NCLT Hyderabad Bench on 20-02-2023

General Reserve:

The Company has not proposed to transfer any amount to the general reserve for the Financial Year ended 31 March, 2023.

Dividend:

Your Directors regret to inform that they do not recommend any dividend for the financial year 2022-23 The Company is in its growth phase and hence needs to maintain the growth capital and meet its growth opportunities.

Share Capital:

The Paid-up Share Capital of the Company as on 31 March, 2023 is Rs. 19,95,82,360 and there has been no change in the capital structure of the Company during the year 2022-23.

Listing of Company's Equity Shares:

The Company's Equity shares are listed with M/s. BSE Limited (Stock Exchange), Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company has paid the Annual Listing Fees to the said Stock Exchange for the Financial Year 2022-23.

Change in the Nature of Business:

There is no change in the nature of the business of the Company during the year under review.

Subsidiaries, Joint Ventures and Associate Companies:

The Company has one wholly owned subsidiary as on March 31, 2023 in the name and style of **M/s. Bodhtree Human Capital Private Limited** which is engaged in the business of staff augmentation and related service sector. There has been no material change in the nature of the business of the subsidiaries.

As per the provisions of Section 129(3) of the Companies Act, 2013 (the Act) read with Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Subsidiary in Form AOC-1 is enclosed as **Annexure – IV** to this Report.

Performance and financial position of subsidiary:

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, including the consolidated financial statements, along with the relevant documents

and the separate audited financial statements in respect of subsidiaries, are available on the website of the Company <https://www.bodhtree.com/investors>.

Consolidated Financial Statements:

During the year, the Board of Directors reviewed the affairs of its subsidiaries. Your Company has prepared its consolidated financial statements in accordance with the requirements of IND AS-27 issued by the Institute of Chartered Accountants of India (ICAI) and as per the provisions of Section 129(3) of the Companies Act, 2013. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

As per the provisions of Section 136 of the Act, the Company has placed its financial statements, including consolidated financial statements and all documents attached thereto, as well as the separate audited accounts of its subsidiary on its website <https://www.bodhtree.com>. A copy of the above-mentioned documents will be provided to the shareholders at their request.

Management Discussion and Analysis:

A Report on Management Discussion & Analysis forms part of the Annual Report as per the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Extract of Annual Return:

As provided under section 92(3) of the Act, the extract of annual return in the prescribed Form No. MGT-9 can be accessed at the company's website www.bodhtree.com under investors section.

Director's Responsibility Statement:

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) In preparation of annual accounts for the financial year ended 31st March 2023 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2023 and of the profit and loss of the Company for the year;
- iii) The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a 'going concern' basis;
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement on Declaration given by Independent Directors under Section 149:

As required under Section 149 of the Companies Act, 2013, the Independent Directors have submitted the declaration affirming that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as independent directors of the Company.

The Board is of the opinion that all the Independent Directors appointed are persons of integrity and possess relevant expertise and experience to act as Independent Director of the Company. The Independent Directors of the Company have confirmed that they have or shall include their name in the databank of Independent Directors within the statutory timeline and they will also appear for the online proficiency test within a period of one year, wherever applicable.

Directors and Key Managerial Personnel:

The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Independent Director as at 31.03.2023.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company. Mr. Santosh Kumar Vangapally, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment, subject to shareholders approval.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on 31st March, 2023 are:

Mr. Santosh Kumar Vangapally – Whole-time Director
Mr. B R Naresh Kumar – Chief Financial Officer
Ms. Pompa Mukherjee - Company Secretary & Compliance Officer

Changes in Directors and KMP during the year

- a. Mr. S Sivaraman resigned from the position of the Director w.e.f. 30-.05.2022.
- b. Mrs. Kavitha Somavarapu was appointed as Company Secretary w.e.f 07.02.2022 and resigned from the Position of Company Secretary with effect from 03.08.2022.
- c. Ms. Pompa Mukherjee was appointed as Company Secretary with effect from 19.01.2023
- d. Mr. Rajesh Katragadda resigned from the position of Independent Director with effect from 03.02.2023.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board / Committee of the Company. Apart from the above, there have been no changes in Directors.

Number of meetings of the board:

7 (Seven) meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Compliance with secretarial standards on board and annual general meetings

During the year under review, the Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Annual Evaluation of Performance of Board, Committees and Individual Directors:

The Board of Directors evaluated the annual performance of the Board as a whole, its Committees and the directors individually, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with specific focus on the performance and effective functioning of the Board and individual directors.

Criteria for Performance Evaluation:

- a. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- b. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
- c. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management
- d. Statutory Compliance and ensuring high standards of financial probity and Corporate Governance

Responsibility towards requirements under the Companies Act, 2013, Responsibilities of the Board and accountability under the Director's Responsibility Statement

Separate Meeting of Independent Directors could be held during the Financial Year 2022-23 due to initiation of the Corporate Insolvency Resolution Process and the regular Board meeting were held to review the operations of the Company.

Policy on directors' appointment and remuneration and other details:

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report forming part of this Report and is also available on Company's website under the web link : [http://www.bodhtree.com/about us/investors/Codes & Policies](http://www.bodhtree.com/about-us/investors/Codes%20&%20Policies).

Familiarization programme for Independent Directors

All Independent Directors inducted into the Board attended an orientation program. The details of training and familiarization program are available on the website at <https://www.bodhtree.com>

Committees of the Board:

Your Company has the following committees namely:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee
4. Corporate Social Responsibility Committee

The constitution of all the committees are as per the Companies Act, 2013 and SEBI Listing Regulations. The details of their Constitution is mentioned in Corporate Governance Report, which forms part of this Report.

Corporate Governance Report:

Your Company is committed to maintain high standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under the Listing Regulations, forms part of the Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations forms part of this Report and is enclosed to this report.

Internal financial control systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

Risk management:

The board of directors of the Company has voluntarily formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Board has framed a Risk management Policy, which, inter-alia, identifies the elements of risks which may threaten the existence of the Company. Various risks faced by the Company, including the risks associated with the economy, regulations, competition, foreign exchange, interest rate etc., and the development and implementation of the Risk Management Policy and are documented, monitored and managed efficiently.

Vigil Mechanism:

In pursuant to the provisions of section 177 (9) & (10) of the Act, and SEBI Listing Regulations, a Vigil Mechanism for directors and employees to report genuine concerns has been established. Protected disclosures can be made by a whistle blower to the Chairman of the Audit Committee. The Policy on vigil mechanism may be accessed on the Company's website www.bodhtree.com

Statutory Auditors:

M/s RSM & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of 5 consecutive years at the 40th Annual General Meeting (AGM) of the

Company held on 30th September 2022.

The standalone and consolidated financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

The Auditors' report on the financial statements does contain qualifications, reservations or adverse remarks and the Notes on the financial statements.

MANAGEMENT REPLIES TO QUALIFIED OPINION BY THE STATUTORY AUDITORS

1. Property, Plant & Equipment (Rs.92.87 lakh), Intangible assets (Rs.97.86 lakh) and Intangible Assets under Development (Rs,2583.37 lakh) as stated in the financial for the year 2022-23. Auditor observed that Impairment of Assets as per Ind AS 36, the management is required to make an assessment of impairment of carrying value of the assets.

Under the provisions of Insolvency & Bankruptcy Code, 2016, the powers of the Management rests with the Interim Resolution Professional / Resolution Professional from the date of admission of the Company under Corporate Insolvency Resolution Process from 20/02/2023 as per the orders pronounced by the Hon'ble NCLT, Hyderabad Bench. It is the wrong admission by the Statutory Auditor to assume that the uncertainty of resumption of operations of the Company. The object of the Code is see that the Company revives under the new management. The Resolution Professional has received a Resolution Plan and the same was approved by the Committee of Creditors by 100% voting in favour of the said Plan. The Plan will be effective once the Hon'ble NCLT gives its approval for the said Plan.

2. The Auditor observed that recovery of dues from the Trade Receivables amounting to Rs.63.27 Crore as the uncertainty looms over the operations of the Company. As stated in the reply to the point No.1, since there is no uncertainty in continuing the operations, there is every possibility of the recovery of the above said outstanding amounts. One M/s Bodhtree Consulting LLC, USA has given an assurance in writing that they will be making the outstanding payment of Rs.18.86 Cr during the coming three years, as they have suffered heavy losses. The payment may be started from the month of September 2023. The same way, Wilmer Technologies INC has also confirmed also that they will be making the payment in due course starting from September 2023.
3. The Auditor observed that the Company services has drastically reduced from the January, 2023 and incurred heavy loss of Rs.26.25 Cr during the year ended 31st March, 2023 and stated that existence of material uncertainty to continue the operations. As stated, above management replies, the Auditor has not applied his intelligence in understanding the Corporate Insolvency Resolution Process of the Company. The operations have come down basically the clients show concerns about the execution of the orders and downtrend in the IT markets of USA. It was stated that the work executed by the Company during the year 2022-23 were not acceptable to the clients in USA and the Company needed to do the same work multiple times, which resulted in heavy losses in the history of the Company. This was also the main reason not getting back the receivable outstanding from the Bodhtree Consulting LLC, USA. The present management in consultation with the Resolution Professional has started the marking of their expertise and the operations will be to the peak from the December, 2023 and improvement will be there from this month onwards.
4. Other opinions of the Auditor are related to advances outstanding and payments made to software technical fees etc are related to the operations and Board is taking care of the same in their regular Board meeting and giving directions for suitable measures.

5. Auditor further made an opinion that the claims received by the Interim Resolution Professional / Resolution Professional have not been reconciled with the Books of Accounts of the Company. The Interim Resolution Professional has verified all the claims received with the books of accounts and evidence submitted by the claimant. The Auditor is no role to comment on the same.

Change in Statutory Auditors

M/s. NSVR & Associates LLP, Chartered Accountants have tendered their resignation vide resignation letter dated 13.08.2022 due to their preoccupations. The Board has taken note of the same vide Board Meeting dated 29.08.2022 and had recommended to appoint M/s. RSM and Associates, Chartered Accountants (FRN002813S) for a period of 5 consecutive years from this Annual General Meeting.

Reporting of Frauds:

During the year under review,, as per the transactions audit report, the transaction auditor reported that there are dealing with some parties, during the last two financial years from CIRP commencement date, 20th February, 2023, declared as fraud under Sec 66 of Insolvency & Bankruptcy Code, 2016 After review by the Resolution Professional, the transactions with M/s. Naskon Soft Solutions Pvt Ltd, a related party, declared as a fraud under Sec 66 of the Insolvency & Bankruptcy Code, 2016. Legal steps are being taken regarding the same.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Surya Prakash Perumalla, A Practicing Company Secretary, SPP & Associates as Secretarial Auditor to conduct the Secretarial audit of the Company for the financial year ended 31 March, 2024.

The Secretarial Audit Report issued by Mr Surya Prakash Perumalla SPP & Associates Practising Company Secretaries in Form No. MR-3 for the Financial Year 2022-23 is enclosed as **Annexure – VII** to this Annual Report.

Explanations for the observations made by Secretarial Auditor M/s SPP & Associates in Secretarial Audit Report:

1. Company failed in filing the IEPF-2 form, the change of the nodal officer, on account of change in the Company Secretary.

The Board has passed a resolution approving the present Company Secretary as the Nodal Officer and the said form will be filed immediately.

2. Delay in intimation to BSE regarding the resignation of the Statutory Auditor, NSVR Associates, Chartered Accountants.

The intimation given to BSE immediately on bring the notification of the Board about the resignation of the Statutory Auditor.

3. The Company was unable to spend towards the CSR activities

The main reason for not spending towards CSR activities is that there no funds in the Company due to fall of the turnover from Rs.110 Cr to Rs.42 Cr and suffering from cash losses during the financial year 2022-23.

4. Separate meeting of Independent Directors was not held during the financial year 2022.23.

Independent Directors meeting could not be held due to initiation of the Corporate Insolvency Resolution Process and the regular Board meeting were held to review the operations of the Company and the Directors didn't feel the necessity of separate meeting to review the performance of the Directors and Managerial personnel. The Board is consisting of 4 independent Directors and one Wholtime Director and one Non-executive Director. The majority of the Board consist of Independent Directors

Internal Auditors:

The Board of Directors of the Company has appointed Ms. P R Varma & Co., Chartered Accountants as Internal Auditors to conduct the Internal Audit of the Company for the Financial Year 2022-23.

Corporate Social Responsibility (CSR):

The Corporate Social Responsibility Committee (CSR Committee) constituted by the Board has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The CSR Committee monitors the CSR Policy and recommends the amount of expenditure to be incurred on activities mentioned in the CSR Policy.

CSR Committee could not met during the year under review as the Company went into CIRP on 20th February also Company could not spend any amount into CSR due to insufficient funds. The category and composition of the Committee as on 31.03.2023 is as follows.

| Sr No | Name of the director | Category of director |
|--------------|------------------------------|-----------------------------|
| 1 | Mr. Santosh Kumar Vangapally | Whole-time Director |
| 2 | Mr. L N Rama Krishna | Director |
| 3 | Mr. Naveen Erva | Director |

The brief outline of the CSR Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.. The CSR Policy is posted on the website of the Company and the web link is <https://www.bodhtree.com/about-us/investors/csrpolicy>.

Particulars of loans, guarantees and investments:

Particulars of loans given, guarantees provided and investments made by the Company during the year 2022-23, as required under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, are disclosed in the notes to Financial Statements which may be read as a part of this Report.

Deposits from public:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Particulars of Contracts or Arrangements with related parties:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure V** to this Report.

All Related Party Transactions were placed before the Audit Committee and the Board for approval. The policy on materiality of Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.bodhtree.com.

Particulars of Employees and Related Disclosures

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of **Annexure- II** which is enclosed to this Board Report.

The table containing the names and other particulars of top 10 employees in terms of remuneration drawn in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of abovementioned **Annexure - II**.

A statement containing the names of every employee employed throughout the financial year and in receipt of aggregate remuneration of Rs. 102 lakh or more for the year, or employed for part of the year and in receipt of Rs. 8.50 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of abovementioned **Annexure - II** which is enclosed to this Board's Report.

Conservation of Energy, Technology absorption, Foreign exchange outgo:

The particulars as required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of Companies (Accounts) Rules, 2014, with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo to the extent applicable are provided in **Annexure – VI** to this Report.

Human Resources:

The Industrial relations of the Company continued to be harmonious during the year under review.

Employees Stock Options Scheme:

The Board in its Meeting held on 14 November, 2016 has approved BCL ESOP-2016 policy to its Employees with 10 Lakh fully paid-up Equity Shares, which were approved by the shareholders in the 34th Annual General Meeting held on 30 September, 2016. The in-principle approval for the said 10 lakh options was obtained from BSE on 04 January 2017. The Company did not grant any options to its employees during F.Y. 2021-22. The details of Employees Stock Options pursuant to section 62 of the Companies Act, 2013 read with Rules made thereunder; and SEBI (Share Based Employee Benefits) Regulations, 2014 and erstwhile

SEBI (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided as **Annexure – VIII** to this Report.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

- a. Number of complaints pending at the beginning of the year; - Nil
- b. Number of complaints received during the year - Nil
- c. Number of complaints disposed off during the year - Nil
- d. Number of cases pending at the end of the year- Nil

General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Neither the Managing Director of the Company receive any remuneration or commission from any of its subsidiary.
- c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future
- d. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.
- e. The maintenance of cost records is not applicable to the Company.

Except order passed by NCLT Hyderabad Bench for CIRP with effect from 20th February 2023.

Acknowledgement:

The Directors thank the Company's employees, customers, vendors, investors and academic institutions for their continuous support. The Directors also thank the governments of various countries, Government of India, Governments of various states in India and concerned government departments / agencies for their co-operation. The Board special thanks to the HDFC Bank Ltd for extending the credit facilities and support through the year. The directors appreciate and value the contributions made by every member of the Bodhtree family.

**For and on behalf of the Board
Bodhtree Consulting Ltd**

Place: Hyderabad

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Date: **08th September 2023**

Naveen Erva.
Director
(DIN: 09342849)

Santosh Kumar Vangapally
Whole-time Director
(DIN: 09331903)

ANNEXURE – I

A. Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I) The ratio of the remuneration of each Director to the median remuneration of the employees and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) against the performance of the Company for the financial year 2022-23 are as under:

| S No | Name of Director/ KMP and Designation | The Percentage increase in remuneration | Ratio of remuneration to median remuneration of employees |
|------|--|---|---|
| 2. | Santosh Kumar Vangapally (appointed w.e.f 04.10.2021) | Nil | |
| 3.. | Kavitha Somavarapu – Company Secretary (Resigned w.e.f 03.08.2022) | Nil | NA |
| 4. | Pompa Mukherjee Company Secretary (Appointed w e f 19.01.2023) | | |

There were 15 permanent employees on the rolls of Company as on March 31, 2023;

- II) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement showing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

| Name | Designation and nature of employment | Remuneration received (Rs in lakhs per year) | Education Qualification and experience of the employee | Age | Date of joining | Previous employment and designation if any | No of shares held if any | Whether employee is relative to director or manager of the Company |
|------|--------------------------------------|--|--|-----|-----------------|--|--------------------------|--|
|------|--------------------------------------|--|--|-----|-----------------|--|--------------------------|--|

Bodhtree Consulting Limited

| | | | | | | | | |
|-------------------------------|-------------------------|-------|--------|----|----------------|----|----|----|
| Vamsi Krishna Pallamala | Sr.Software Engineer | 19.89 | B.Tech | 37 | 18-08- 2011 | -- | -- | -- |
|-------------------------------|-------------------------|-------|--------|----|----------------|----|----|----|

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Place: Hyderabad

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Date: **08.09.2023**

Naveen Erva
Director
(DIN: 09342849)

Santosh Kumar vangapally
Whole-time Director
(DIN: 09331903)

ANNEXURE-II

**Annual Report on CSR Activities for the FY 2021-22
(As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)**

1. A brief outline of the Company's CSR policy:

On the recommendations of the Corporate Social Responsibility Committee, the Board approved and adopted the Corporate Social Responsibility Policy of the Company. The Company proposes to adopt projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time and as stated in the Corporate Social Responsibility Policy.

The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at: www.bodhtree.com.

2. Composition of CSR Committee as on 31.03.2023

| Sr No | Name of the director | Category of director |
|-------|--------------------------|------------------------|
| 1 | Santosh Kumar Vangapally | Whole Time Director |
| 2 | L N Rama Krishna | Non-Executive Director |
| 3 | Naveen Erva | Independent Director |

3. Average net profits of the Company for the last three financial years: **7,67,61,945** /-

4. Prescribed CSR expenditure (2% of Average Net Profits): Rs. 15,35,239

5. **Details of CSR spent during the financial year 2022-23: Nil**

(a) Total amount spent for the financial year: **Nil**

The Company was unable to spend towards the CSR activities as that there were no funds in the Company due to fall of the turnover from Rs.110 Cr to Rs.42 Cr and suffering from cash losses during the financial year 2022-23.

(b) Amount unspent, if any: **Rs. 0/-**

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. Responsibility Statement: The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Place: Hyderabad

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Date: 07.09.2023

Naveen Erva

Santosh Kumar vangapally

ANNEXURE - III

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part – A: Subsidiaries

| | | |
|----|--|---|
| 1 | Name of the subsidiary | Bodhtree Human Capital Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01 April 2022 to 31 March 2023. |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR |
| 4 | Share capital | 10,000 Equity Shares of Rs 10/- each Rs 1,00,000/- |
| 5 | Reserves & surplus | -- |
| 6 | Total assets | -- |
| 7 | Total Liabilities | -- |
| 8 | Investments | -- |
| 9 | Turnover | -- |
| 10 | Profit before taxation | |
| 11 | Provision for taxation | -- |
| 12 | Profit after taxation | -- |
| 13 | Proposed Dividend | -- |
| 14 | % of shareholding | 100% |

1. Names of subsidiaries which are yet to commence operations: Nil

Part – B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – NIL

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Place: Hyderabad

Date: **08.09.2023**

Naveen Erva
Director

Santosh Kumar Vangapally
Whole- time Director

ANNEXURE - IV

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts, arrangements, or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2023, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

| Nature of contract & Name of the related party | Nature of relationship | Duration of Contracts | Salient Terms | Amount (Rs. in Lakhs) |
|--|-------------------------------|------------------------------|--|------------------------------|
| Sales M/s. Bodhtree Consulting LLC. | Control | Ongoing | Ordinary course of business | 2692.68 |
| Advances L N Rama Krishna | Non Executive Director | Unsecured Loan | | 409.40 |
| Managerial Remuneration Santosh Kumar Vangapally | Whole-time Director | Annual | As per the terms and conditions of appointment | 11.57 |
| Managerial Remuneration Kavita Somavarapu | Company Secretary | Annual | As per the terms and conditions of appointment | 3.94 |
| Managerial Remuneration Pompa Mukherjee | Company Secretary | Annual | As per the terms and conditions of appointment | 1.66 |

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Place: Hyderabad
Date: **08.09.2023**

Naveen Erva
Director
(DIN: 09342849)

Santosh Kumar v
Whole- time Director
(DIN: 09331903)

ANNEXURE – V

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

(A) Conservation of energy-

- i. the steps taken or impact on conservation of energy; In line with the Company's commitment towards conservation of energy, the Company continued with their energy saving efforts and installed LED fixtures in place of conventional ones at its registered office. The employees are averse to wasting power. Consequently, power consumption is one of the lowest per employee. The computers, air-conditioners and other equipment being used by the Company are energy-efficient and environment-friendly.
- ii. the steps taken by the Company for utilizing alternate sources of energy; The employees are disciplined on saving energy. Systems are switched on only when it is to be used and switched off as soon as the scheduled work is completed.
- iii. the capital investment on energy conservation equipment's; The capital investment was made on controllers used for air conditioners and LED bulbs.

(B) Technology absorption- N.A.

- i. the efforts made towards technology absorption;
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- iv. the expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow

| Particulars | 2022-23 (INR) |
|---------------------------------------|----------------------|
| Value of Imports – CIF Basis | 0 |
| Expenditure in Foreign Currency | 0 |
| Foreign Currency Earnings – FOB basis | 532,538,195 |

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Naveen Erva
Director
(DIN: 09342849)

Santosh Kumar vangapally
Whole-time Director
(DIN: 09331903)

**FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
BODHTREE CONSULTING LIMITED
Level-2, Wing-A, Melange towers Patrika nagar,
Madhapur, Hitech City Hyderabad
Telangana 500081 India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. BODHTREE CONSULTING LIMITED** (herein after called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. the Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
 - d. The Securities and Exchange Board of India (Shared Based Employee Benefits and Sweat Equity) Regulations 2021;

- e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit Period**); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**).

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by “The Institute of Company Secretaries of India”
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (“LODR”) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- i. Form IEPF-2 has not been filed in relation to change in details of Nodal Officer pursuant to Section 125(2) read with Rule 7(2B) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2021.
- ii. Delay in intimation to BSE regarding resignation of Statutory Auditor of the Company M/s. NSVR Associates, Chartered Accountants, pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with Schedule III PART-A PARA-A.
- iii. The Company was unable to spend any funds towards CSR activities which is violation with Section 135 of the Companies Act, 2013, as the Company undergoing Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016
- iv. Separate meeting of independent directors was not held in the Company during the financial year 2022-23 pursuant to Regulation 25 of SEBI LODR Regulations, 2015 and Companies Act, 2013 as Company undergone Corporate Insolvency Resolution Process (CIRP) with effect from 20th February, 2023.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except meetings held on shorter consent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the Company has specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards is given below: -

1. The Company is undergoing Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016 with effect from 20th February 2023 order dated 20.02.2023 by Hon'ble NCLT, Hyderabad Bench-1, Hyderabad passed in CP(IB)No.271/9/HDB/2020.

**For SPP & Associates
Company Secretaries**

**Date: September 04, 2023
Place: Hyderabad**

**Surya Prakash Perumalla
Company Secretary in Practice
FRN: S2023TS899200
FCS No. 9072; CP No.11142
UDIN: F009072E000931730**

[This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.]

“Annexure – A”

To
The Members
BODHTREE CONSULTING LIMITED
Level-2, Wing-A, Melange towers Patrika nagar,
Madhapur, Hitech City Hyderabad
Telangana 500081 India.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of M/s. **BODHTREE CONSULTING LIMITED** (“the Company”). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For SPP & Associates
Company Secretaries**

**Date: September 04, 2023
Place: Hyderabad**

**Surya Prakash Perumalla
Company Secretary in Practice
FRN: S2023TS899200
FCS No. 9072; CP No.11142
UDIN: F009072E000931730**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Bodhtree Consulting Limited
Level-2, Wing-A, Melange towers
Patrika nagar, Madhapur, Hitech City
Hyderabad Telangana 500081 India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bodhtree Consulting Limited, having CIN (Corporate Identification Number) L74140TG1982PLC040516 and having registered office at Level-2, Wing-A, Melange towers Patrika nagar, Madhapur, Hitech City Hyderabad Telangana 500081 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| S No | Name of Director | DIN | Date of appointment in Company |
|------|------------------------------|----------|--------------------------------|
| 1. | Ramakrishna Naga Lakkimsetti | 03623543 | 24/01/2015 |
| 2. | Anil | 09331597 | 24/11/2021 |
| 3. | Santosh Kumar Vangapally | 09331903 | 04/10/2021 |
| 4. | Naveen Erva | 09342849 | 24/11/2021 |

| | | | |
|----|--------------------------|----------|------------|
| 5. | Subhashini Prattighantam | 09359263 | 26/10/2021 |
| 6. | Srinivasan Pattabiraman | 09368916 | 28/10/2021 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SPP & Associates
Company Secretaries**

**Date: September 04, 2023
Place: Hyderabad**

**Surya Prakash Perumalla
Company Secretary in Practice
FRN: S2023TS899200
FCS No. 9072; CP No.11142
UDIN: F009072E000931895**

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
BODHTREE CONSULTING LIMITED
Hyderabad.

We have examined the compliance of the conditions of Corporate Governance by **BODHTREE CONSULTING LIMITED** (hereinafter referred to as “the Company”) for the year ended March 31, 2023, as stipulated in Chapter IV of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgment, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SPP & Associates
Company Secretaries**

Bodhtree Consulting Limited

Date: September 04, 2023

Place: Hyderabad

Surya Prakash Perumalla

Company Secretary in Practice

FRN: S2023TS899200

FCS No. 9072; CP No.11142

UDIN: F009072E000932082

Disclosure pursuant to Section 62 of the Companies Act, 2013 read with rules made there under and SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options.

| Sl. No | Particulars | Details |
|--------|--|--|
| 1 | Date of Shareholders Approval | 30 September, 2016 |
| 2 | Total number of options to be granted | 10,00,000 |
| 3 | Vesting requirements | - 50% of Granted Options on completion of 1 year from the date of Grant. - 50% of Granted Options on completion of 2 years from the date of Grant. |
| 4 | The pricing formula/Exercise Price | Fair Value and the options will be granted at the price decided by the Nomination and Remuneration Committee at the time of granting options [exercise price]. |
| 5 | Maximum term of Options granted | 5 years |
| 5 | Options vested up to 31 March 2017 | NIL |
| 6 | Options vested up to 31 March 2018 | NIL |
| 7 | Options vested up to 31 March 2019 | Nil |
| 8 | Options exercise up to 31 March 2020 | Nil |
| 9 | Options lapsed up to 31 March 2021 | Nil |
| 10 | Options exercised up to 31 March 2022 | Nil |
| 11 | Options exercised up to 31 March 2023 | Nil |
| 12 | Total number of shares arising as a result of exercise of options. | Exercise of Options not yet commenced. |
| 13 | Variations of terms of Options | Nil |
| 14 | Details of Options granted to Key Managerial Personnel | Options yet to be granted as on 31 March, 2022. |
| 15 | Total number of Options in force as at 31 March 2018. | 10,00,000 |
| 16 | Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year. | Nil |
| 17 | Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital [excluding outstanding warrants and conversions] of the company at the time of the grant. | Nil |
| 18 | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Accounting Standard [AS-20] | There were no shares exercised during the year. |
| 19 | Where the company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value options, shall be disclosed. The impact of this difference on profits and on EPS of the Company | The Company will calculate employee compensation cost using the Fair value. |
| 20 | Weighted Average Exercise Price and weighted average fair values of options | N/A. |

| | | |
|--|---|--|
| | disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock. | |
|--|---|--|

MANAGEMENT'S DISCUSSION & ANALYSIS

COMPANY PROFILE

Bodhtree is a CMMI level 5 company which enables enterprises to transform their business using the power of cloud, analytics and digital solutions. In addition, we streamline key business processes by deploying enterprise applications, integrating applications with their IT infrastructure and maintaining them, so that business users can focus on strategic organizational priorities.

While we work with Fortune 500 firms and SMEs across different industries, we offer vertical specific solutions to address key business challenges of Manufacturing, Healthcare, HiTech, and Educational and Government sectors besides others. We are problem solvers with a passion for excellence. We are intellectually curious and highly collaborative. However, against the backdrop of a challenging global economy, we endeavor to adopt new generation technologies and processes in our unique delivery model. Bodhtree has successfully carved a niche for itself by consolidating its approach to IT and ITES (IT enabled services) through sustainable value addition to organizations.

Bodhtree, a global IT consulting and Product engineering services provider, offers technology solutions that address complex business issues and drive transformational growth. As a select partner of industry leading technology providers, Bodhtree delivers best-in-class solutions tailored to meet the needs of our SMB and large-enterprise clients. With extensive domain and IT expertise, our solutions integrate seamlessly within existing IT infrastructures, ensuring optimal business performance and maximized return on technology investments.

The following discussion and analysis should be read in conjunction with the Company's financial statements included in this report and the notes thereto. The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereafter.

OVERVIEW OF THE INDUSTRY

The software industry includes businesses for development, maintenance and publication of software that are using different business models, mainly either "license/maintenance based" (on-premises) or "Cloud based" (such as SaaS, PaaS, IaaS, MBaaS, MSaaS, DCaaS etc.). The industry also includes software services, such as training, documentation, and consulting and data recovery. The software and computer services industry spends more than 11% of its net sales for Research & Development which is in comparison with other industries the second highest share after pharmaceuticals & biotechnology. The next big thing is the databases, specifically three, Microsoft SQL Server, IBM DB2 and Oracle. Another trend in practice is of mergers and acquisitions or partnerships and strategic alliances between software vendors for the new and innovative functionality offering capability to the software. Internet has opened up new opportunities for conducting variety of businesses in today's economy. The software vendors have developed functionality to take advantage of this

I thank all our stakeholders for their belief in us during these difficult times. The coming times are going to be exciting. We are making our presence felt in right areas and building right capabilities,

which positions us for long-term growth. I am proud of our people who rallied together to overcome challenges and worked with utmost dedication for our clients.

OPPORTUNITIES AND THREATS:

We believe our strengths give us the competitive advantage to position ourselves as a leading global technology solutions and services company to solve the strategic challenges of business.

Consulting and domain expertise:

Bodhtree was founded as a product engineering company and continues to deliver world-class product engineering services ranging from application development and maintenance, web development and outsourced product development to QA and managed testing services. Applying agile and scrum-based methodologies, we engage customers in a highly interactive process to develop superior software products on timelines that beat the competition to market – at reduced operational costs and risk. As a Salesforce Gold Cloud Alliance Partner, Bodhtree provides the expertise and technology for clients to realize the benefits of cloud computing.

Enterprise services:

Bodhtree's enterprise services include implementation, development, global rollouts, integration, upgrade, and application maintenance and support for Oracle E-Business Suite. We understand your need to keep pace with constant industry changes and can help you standardize your processes, maximize your application performance and transform your business.

Deep client relationships and brand:

We have long-standing relationships with large corporations and other organizations. Our track record in delivering high-quality solutions across the entire software life cycle and our strong domain expertise helps us to solidify these relationships and gain increased business from our existing clients. This history of client retention allows us to showcase and strengthen our brand.

Quality and process execution:

Our sophisticated processes, standards and quality frameworks allow us to continuously optimize service delivery of various engagements on key performance indicators like business value, productivity, quality and cycle-time.

High-quality talent:

We have a strong ecosystem for employee attraction, career development, engagement and retention through a trusted partnership with our stakeholders. Competence development of our workforce has always been our key strategic focus area. We have a culture of performance and innovation in an open and collaborative environment.

OVERVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE:

The revenue for FY 2022-23 is Rs.4279.05 lakhs and Profit/Loss After Tax is Rs. 2660.55 lakhs, though there is a revenue decline in the Current FY compared to Preceding FY, We are glad to inform you that we have added few more new clients where we can expect better margins in the ensuing FY.

The Paid up Share Capital of the Company as on 31 March, 2023 is Rs. 19,95,82,360/- comprising of 1,99,58,236 Equity Shares of Rs. 10/- each fully paid-up.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The members are informed that the Company has been accredited with quality standards of ISO 9001:2008, ISO 27001:2005 and CMMI – Level 5. Apart from this, the Company has adequate internal controls commensurate with the size and operations.

Periodical internal quality audits and management review meetings ensure successful implementation of the Quality Management System. The ISO 9001: 2008 and ISO 27001:2005 compliance will seamlessly integrate all the intra and inter-departmental activities of the organization, simultaneously ensuring effective monitoring of the operations of the organization. Surveillance audit for continuation of ISO certification will be conducted by external auditors.

In addition, the Company has appointed Independent Internal Auditors to carry out the internal audit on a regular basis. The internal audit is supplemented by external audit, and periodic review by the Management.

HUMAN RESOURCES:

Your Company has rationalized its human resources effectively. The approach of the Company has been to nurture talent and inculcate a sense of belonging amongst its personnel. The Company provides an environment which encourages initiative, innovative thinking and rewards performance. The Company ensures training and development of its personnel through succession planning, job rotation, on- the- job training and various training programs and workshops.

CAUTIONARY STATEMENT:

Statements in the “Management Discussion and Analysis” describing the Company’s objectives, estimates, expectations or projections may be “forward looking statements” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include: Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

For and on behalf of the Board

Sreenivasa Rao Ravinuthala
Resolution Professional
IBBI/IPA-003/IP-N00081/2017-18/10704

Place: Hyderabad
Date: : **08-09-2023**

Naveen Erva
Director
(DIN: 09342849)

Santosh Kumar Vangapally
Whole-time Director
(DIN: 09331903)

CORPORATE GOVERNANCE REPORT

(Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Company's shares were listed on M/s. BSE Limited w.e.f. 04.05.2015 through direct listing after exit of M/s. Madras Stock Exchange Ltd. The Corporate Governance Report has been prepared in accordance with Regulation 34(3), 53(f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 herein after called as Listing Regulations.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is to provide highest transparency, and adherence to ethical values to build strong Corporate Governance systems. It endeavors to ensure adherence to the Code of Corporate Governance by complying with regulatory requirements and maintaining high standards of moral and ethical conduct to enhance the benefit of shareholders, employees, lenders and customers. The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management.

II. BOARD OF DIRECTORS:

1. Composition and category of directors

The Board is composed of eminent persons with considerable professional experience in diverse fields. Except whole-time Director, All the members of the Board are Non-Executive Directors and of these, the majority is Independent Directors. And there is no Regular Chairperson to the Board. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "SEBI (LODR) Regulations") and the Companies Act, 2013 (hereinafter referred to as "the Act"). Further, disclosures have been made by the Directors regarding their Chairmanships/Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under "SEBI (LODR) Regulations". Composition of the Board as on 31st March, 2022 was as follows:

| Category | No. of Directors | % of total No. of Directors |
|--|------------------|-----------------------------|
| Non-Executive Non-Independent Directors | 1 | 16.67% |
| Independent Directors (including woman director) | 4 | 66.67% |
| Executive Directors | 1 | 16.67% |

Directorships in other entities as on 31st March, 2023

| Name of the Director | Category | No. of Directorships held in Public Co.s* | List and Category of Directorship in other entities | No. of Committee Positions in Public Co.s* |
|---|---------------------------------|---|---|--|
| Mr. Santosh Kumar Vangapally (DIN: 09331903) (appointed | Executive (Whole-time) Director | 1 | Nil | 1 |

Bodhtree Consulting Limited

| | | | | |
|--|--|---|---|--------------|
| w.e.f 04.10.2021) | | | | |
| Mr. Ramakrishna Naga Lakkimsetti (DIN: 03623543) | Non- Executive Director | 1 | Nil | 3 (Member) |
| Mr. Anil (DIN: 09331597) (Appointed w.e.f 24.11.2021) | Non- Executive Independent Director | 1 | Bodhtree Human Capital Private Limited (Non-Executive Director) | 1 (chairman) |
| Mr. Naveen Erva (DIN: 09342849) (Appointed w.e.f 24.11.2021) | Non- Executive Independent Director | 1 | Bodhtree Human Capital Private Limited (Non-Executive Director) | 4 (member) |
| Mrs. P Subhashini (DIN: 09359263) (Appointed w.e.f 26.10.2021) | Non- Executive Independent Director | 1 | Nil | 1 (chairman) |
| Mr. Pattabiraman (DIN: 09368916) (Appointed w.e.f 28.10.2021) | Non- Executive Independent Director | 1 | Nil | 1 (Member) |

Note: 1. No Director is related to any other Director

2. Excluding Directorship in Foreign Companies and Companies incorporated u/s.8 of Companies Act, 2013

3. Only Membership of Audit and Stakeholders Relationship Committees are considered.

* including Bodhtree Consulting Limited

Board Meetings

During the year under review, 8 Board Meetings were held, dates being 30.05.2022, 13.08.2022, 29.08.2022, 06.09.2022, 07.11.2022, 19.01.2023 and 14.02.2023 The attendance of Board of Directors at the Board Meetings and AGM was as follows.

| S.No. | Name of the Director | No. of Meetings held during respective tenure | No. of Meetings attended | Attendance at the last AGM (30.09.2023) |
|-------|--------------------------|---|--------------------------|---|
| 1 | L N Rama Krishna | 7 | 2 | No |
| 2 | Santosh Kumar Vangapally | 7 | 7 | Yes |
| 3 | Pattabiraman | 7 | 1 | No |

| | | | | |
|---|-------------------|---|---|-----|
| 4 | Subhashini P | 7 | 5 | Yes |
| 5 | Anil | 7 | 6 | Yes |
| 6 | Naveen Erva | 7 | 7 | Yes |
| 7 | Rajesh Katragadda | 7 | 3 | No |

As per the disclosures given by the respective directors, none of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which they are Directors. Further, no director is acting as Independent Director of more than seven listed companies, and if a whole-time director of a listed company, not more than three companies.

2. Number of meetings of the Board of Directors held and dates on which held

During the year under review Seven Board Meetings were held on 30.05.2022, 13.08.2022, 29.08.2022, 06.09.2022, 07.11.2022, 19.01.2023, and 14.02.2023.

Your Company holds minimum of four board meetings in each year with maximum time gap of 120 days (One hundred and twenty days) between any two consecutive meetings. The Board may also approve permitted matters by passing resolution by circulation. The necessary quorum was present for all the meetings.

3. Disclosure of relationships between Directors inter-se as on 31.03.2023

No Director is related to any other Director

4. Number of shares held by Non-Executive Directors - Nil

5. Web link where details of familiarisation programmes imparted to Independent directors:

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company. It is the general practice of the Company to notify the changes in all the applicable laws from time to time to the Board of Directors regularly.

The details of such familiarization programmes for Independent Directors are posted on the website of the Company and the web link is https://www.bodhtree.com/about-us/investors/codes_and_policies/familiarization_programme_for_independentdirectors.pdf

6. List of core skills/expertise/competencies identified by the board of directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company’s businesses to efficiently carry on its core business.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its committees.

The members of the Board are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

| List of skills/competencies required in Names of Directors having such relation to business operations | Names of directors having such skills/competences |
|--|---|
| Finance, Law, Management, Administration | L N Ramakrishna, Rajesh Katragadda, |

| | |
|---------------------------------|--|
| | Santosh Kumar V, Subhashini |
| Marketing and Sales | Santosh Kumar V, Anil, Naveen Erva |
| Corporate Governance | Pattabiraman |
| Technical Knowledge on Software | L N Ramakrishna, Naveen Erva, Subhashini |

Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

7. Certification from Company Secretary in Practice

M/s SPP & Associates has issued a certificate as required under the Listing Regulations, conforming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed and forms part of this Report.

III. COMMITTEES OF DIRECTORS:

Audit Committee:

The Company constituted a Qualified and Independent Audit Committee in accordance with the provisions of Regulations 18 of the Listing Regulations and Section 177 of the Companies Act, 2013 comprising of One Non-Executive and two Independent directors.

Brief description of terms of reference:

The role of the Audit Committee is as prescribed under the Act and the Listing Regulations and includes the following:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;
- iii. Examination and review of annual financial statements/ audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries involving estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- iv. Discussions with internal auditors on significant findings and with Statutory Auditors of the nature and scope of audit and on areas of concern;
- v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;
- vi. Review of management discussion and analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors.
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Evaluation of internal financial controls and risk management systems; and

- xi. Review of the functioning of the Whistle Blower mechanism
- xii. Review of the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower

The composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

| S No. | Name of the Director | Designation | No. of meetings held during the respective tenure | No. of Meetings attended |
|-------|--------------------------------------|-------------|---|--------------------------|
| 1 | Sri. L N Rama Krishna | Member | 6 | 5 |
| 3 | Sri. P Subhashini (w.e.f 05.02.2022) | Chairman | 6 | 6 |
| 4 | Sri. Naveen Erva (W.e.f 05.02.2022) | Member | 6 | 6 |

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company.

The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are also invited to the meetings, as required to brief the Committee Meetings. Internal Auditors would report their findings and recommendations to the Committee directly at the meetings. The Company Secretary acts as the secretary of the Committee.

Audit Committee meetings were held 6 (six) times during the year under review on 30.05.2022, 13.08.2022, 29.08.2022, 06.09.2022, 07.11.2022 and 14.02.2023. The gap between two Audit Committee meetings was not more than one hundred and twenty days (120 days). The necessary quorum was present at all the meetings.

Nomination and Remuneration Committee:

Nomination and Remuneration Committee was duly constituted in accordance with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The Committee is empowered with the role and powers as prescribed under Regulation 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and in the Nomination & Remuneration Policy of the Company. The Committee also acts in terms of reference and directors of the Board from time to time.

The NRC comprises of three (3) Non-Executive Directors. The composition of the said committee is as follows:

| Sr No | Name of the Director | Nature of Directorship | Category | No. of meetings held during the year | No. of meetings attended |
|-------|----------------------|---|----------|--------------------------------------|--------------------------|
| 1 | Naveen Erva | Non-executive Independent Director | Chairman | 1 | 1 |
| 2 | L N Rama Krishna | Non-executive, Non Independent Director | Member | 1 | 0 |
| 3 | Anil | Non-executive Independent Director | Member | 1 | 1 |

Chairman and members of the Nomination and Remuneration Committee are Non-Executive Directors.

The Nomination and Remuneration Committee meetings were held 1 time during the year under review on 19.01.2023.

The role of the NRC is as specified under Schedule II part (D) of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013. Apart from this The Nomination and Remuneration Committee reviews profiles & experience, performance appraisals and recommends remuneration package payable to Executive Director(s) and others Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendation to the Board and acts in terms of reference of the Board from time to time. The Committee also evaluates the performance of Directors and acts in terms of reference of the Board from time to time.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee has recommended the guidelines for evaluation of performance of Independent Directors. This largely includes

- The qualification and experience of Independent Directors
- The ground work the Independent Directors perform before attending the meeting to enable them to mitigate the same.
- The exposure of Independent Directors in different areas of risks the entity faces and advices from them to mitigate the same.

The details of remuneration and other benefits paid during the year to the whole-time Director as follows:

(Amount in Rs.)

| Name of Director | Salary & allowances | Other Benefits | Designation | Gross Remuneration |
|--------------------------|---------------------|----------------|---------------------|--------------------|
| Santosh Kumar Vangapally | 12,00,000 | - | Whole-time Director | 12,00,000 |

For Non-Executive Directors:

Compensation paid to Non-Executive Directors and their shareholding is as follows:

| Name of the Director | Sitting Fee Paid (Rs.) | No. of shares held on 31-03-2023 |
|----------------------|------------------------|----------------------------------|
| L N Rama Krishna | -- | -- |
| K. Rajesh | -- | NIL |
| S Sivaraman | -- | -- |
| Pattabiraman | -- | -- |
| Naveen Erva | -- | -- |
| Subhashini | -- | -- |
| Anil | -- | -- |

Other than payment of sitting fees to Non-Executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees during the financial year under review.

Stakeholders' Relationship Committee:

The present composition of the Stakeholders' Relationship Committee is as under:

| S. No. | Name of the Director | Designation |
|--------|----------------------|-------------|
| 1 | Anil | Chairman |
| 2 | L N Rama Krishna | Member |
| 3 | Pattabiraman | Member |
| 4 | Naveen Erva | Member |

The Committee meetings was held once during the year under review on 17.02.2023. The necessary quorum was present at all the meetings. The Company Secretary acts as Secretary for the meetings.

The Committee is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with Regulation 6 of the SEBI (LODR) Regulations, 2015, the Board has authorized Registrar and Transfer Agent (RTA) i.e. Venture Capital and Corporate Investments Private Limited, to approve share transfers/transmissions and comply with other formalities in relation thereto in coordination with the Compliance Officer. All the investor's complaints, which cannot be settled at the level RTA and the Compliance Officer, will be placed before the Committee for final settlement.

Details of Compliance Officer:

Name: Kavitha Somavarapu (W.e.f 07.02.2022 till 03.08.2022)

Name: Pompa Mukherjee (W e f 19.01.2023)

Designation: Company Secretary & Compliance Officer

E-mail ID: cosecy@bodhtree.com

During the year under review, the Company has not received any investor's requests/complaints. There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2023.

The Committee oversees the performance of the Registrar and Transfer agents and recommend measures for overall improvement in the quality of investor services.

Risk Management Committee:

Risk Management Committee was not applicable to your Company as per the provisions of SEBI (LODR) Regulations, 2015

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee has been formulated pursuant to Section 135 of the Companies Act, 2013 comprising of 1 Independent Directors and 1 Non-Executive Director and 1 Executive Director. The committee could not meet as the Company went into CIRP and Company did not have sufficient funds to spend into CSR. Details on composition of the Corporate Social Responsibility Committee is as under:

| S. No. | Name of the Director | Designation |
|--------|--------------------------|-------------|
| 1 | Santosh Kumar Vangapally | Chairman |
| 2 | Naveen Erva | Member |
| 3 | L N Rama Krishna | Member |

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee are as under:

- i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

Corporate Social Responsibility Policy

The Company has adopted Corporate Social Responsibility Policy containing the activities to be undertaken by the Company as part of its CSR programs. The CSR policy is disclosed on the website of the Company [www. Bodhtree.com](http://www.bodhtree.com) and the web link is <https://www.bodhtree.com/about-us/investors/csr> policy

IV. GENERAL BODY MEETINGS:

- i) **The location and time of the last three Annual General Meetings are as follows:**

| Year | Location | Date& Time | Special Resolutions |
|---------|--|-------------------------|---|
| 2021-22 | Through Video Conferencing/Audio Visual Mode | 30.09.2022 10:00 AM | Nil |
| 2020-21 | Through Video Conferencing/Audio Visual Mode | 31.12.2021 10.00 AM | 1. Approval of appointment and remuneration of Whole-time Director Mr. Santosh Kumar Vangapally |
| 2019-20 | Through Video Conferencing/Audio Visual Mode | 18-12-2020 10.00 A.M | Nil |

- ii) **Special Resolutions passed in Extra-Ordinary General Meetings during the last three years are as follows:**

No General Meetings (Other than AGMs) were held during the last three years.

- iii) **Special Resolution passed during the year through postal ballot:**

- No Special Resolution has been passed by the Company through postal ballot during the year under review.
No Special Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting

V. DISCLOSURES:

- i) **Disclosures on Materially Significant Related Party Transactions:**

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

- ii) **Details of Non-Compliance and Penalties:**

| | Details of Non-Compliance | Details | of | Remarks |
|--|---------------------------|---------|----|---------|
|--|---------------------------|---------|----|---------|

| | | Penalties Levied | if any |
|---|---|-------------------|--------|
| 1 | The Company was unable to spend towards the CSR activities | No Penalty Levied | |
| 2 | Separate meeting of Independent Directors was not held during the financial year 2022.23. | No Penalty Levied | |

iii) Whistle Blower Policy:

The Audit Committee has formulated Whistle Blower Policy. As per the policy and company's code of conduct all personnel of the Company have been given access to the Chairman of the Audit Committee.

iv) CEO/CFO Certification:

The Managing Director (CEO) has certified and submitted a certificate in compliance with the Regulation 17(8) of SEBI (LODR) Regulations, 2015 which forms as annexure to this report.

v) Compliance Certificate:

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this Report.

vi) Code of Conduct:

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and Senior Management Personnel of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the Financial Year ended 31st March, 2023.

A declaration to this effect, duly signed by the Whole Time Director is annexed hereto and forms part of this report.

vii) Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:

The Company has complied with the mandatory requirements enumerated in Regulation 17 to 27 and Regulation 46(2) (B) to (i) of SEBI (LODR) Regulations, 2015 and has also complied with the non-mandatory requirements as envisaged under Regulation 27 read with Schedule II Part E of SEBI (LODR) Regulations, 2015.

viii) Web link of Policy on Material Subsidiaries:

The policy for determining material subsidiaries has been posted on the website of the Company and can be accessed at <https://www.bodhtree.com/about-us/investors/codes&policies>

ix) Web link of Policy on Related Party Transactions:

The policy on dealing with related party transactions has been posted on the website of the Company i.e. http://www.bodhtree.com/investors/Policy_on_Related_Party_Transactions.pdf

x) There are no instances where recommendation of the committees have not adopted by the Board of Directors during the period under review.

xi) Total fees paid by the Company to Statutory Auditors during the reporting period is as under

| Particulars | Amount in Lakhs |
|-------------|-----------------|
| Audit Fee | 8.00 |

xii) During the reporting period there are no instances of suspension of trade in securities of the Company.

xiii) During the reporting period, there are no shares held in demat suspense account or unclaimed suspense account.

VI. MEANS OF COMMUNICATION:

a) Quarterly results:

The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard (English daily) and Nava Telangana (Telugu daily).

b) Newspapers wherein results normally published:

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Nava Telangana (Telugu daily).

c) Any website, where displayed:

The results of the Company are displayed on the Company's website: www.Bodhtree.com.

d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company website: www.Bodhtree.com.

e) No Presentations made to institutional investors/analysts.

VII. GENERAL SHAREHOLDER INFORMATION:

| | | |
|-----------|--------------------------------|---|
| a. | Annual General Meeting: | 41 st Annual General Meeting |
| | Date | Saturday, 30 September, 2023 |
| | Time | 11 A.M. |
| | Venue | The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |
| b. | Financial Year | 1 st April, 2022 to 31 st March, 2023 |
| c. | Date of Book Closure | NA |

| | | | | | |
|-----------|--|--|------------|-----------|----------------------|
| d. | Dividend Payment Date | N.A. | | | |
| e. | Listing on Stock Exchanges | M/s. BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Listed on BSE w.e.f. 4 th May, 2015 | | | |
| f. | Demat ISIN No. in NSDL & CDSL for Equity shares and Stock Code | INE104F01011 539122 | | | |
| | The listing fee and custodial fee for the year 2022-23 has been paid to the Stock Exchanges and Depositories. | | | | |
| g. | Market Price Data: High, Low, No. of shares traded on BSE Limited during each month in last financial year | Month | High Price | Low Price | No. of Shares Traded |
| | | Apr-22 | 35.00 | 24.00 | 660150 |
| | | May-22 | 32.70 | 24.00 | 253730 |
| | | Jun-22 | 29.95 | 20.00 | 151040 |
| | | Jul-22 | 23.70 | 20.70 | 246200 |
| | | Aug-22 | 24.85 | 19.55 | 234240 |
| | | Sep-22 | 23.80 | 19.65 | 289740 |
| | | Oct-22 | 20.85 | 17.00 | 143640 |
| | | Nov-22 | 19.90 | 14.40 | 512740 |
| | | Dec-22 | 18.75 | 12.65 | 1093890 |
| | | Jan-23 | 16.90 | 13.10 | 5093820 |
| | | Feb-23 | 15.80 | 8.13 | 607430 |
| | | Mar-23 | 9.35 | 6.31 | 529940 |
| h. | Registrar and Transfer agents | M/s. Venture Capital and Corporate Investments Private Limited, “Aurum”, Plot No.57, 4th & 5th Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032. Phone : 040-23818475 / 040-35164940 Extn.: 41 | | | |
| i. | Share transfer system | SEBI vide its Circular No. CIR/MIRSD/8/2012, dated 5 July 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The SEBI has barred the transfer of shares in physical form w.e.f. 01 st April, 2019. Any investor desirous of transferring | | | |

| | | | | |
|-----------|--|---|-----------------------------|---------------|
| | | shares (which are in physical form) after 01 st April, 2019 can do so only after shares are dematerialized vide SEBI Circular LIST/COMP/15/2018. | | |
| j. | Shareholding Pattern as on 31.03.2023 | Group | No. of Equity shares | % |
| | | Promoter | 8227100 | 41.22 |
| | | Individual investors | 8692229 | 43.55 |
| | | Bank & Institutions | 100000 | 0.49 |
| | | Bodies Corporate | 2374586 | 11.89 |
| | | Others | 564321 | 2.82 |
| | | Total: | 19958236 | 100.00 |

| k. | Distribution of Equity shares as on 31.03.2023 | Category | No. of Shareholders | % to Shareholders | No. of Shares held | % to Capital |
|-----------|---|---|----------------------------|--------------------------|---------------------------|---------------------|
| | | Upto – 500 | 3444 | 75.56 | 435125 | 2.18 |
| | | 501 – 1000 | 444 | 9.74 | 367484 | 1.83 |
| | | 1001 – 2000 | 237 | 5.2 | 360037 | 1.80 |
| | | 2001 – 3000 | 114 | 2.5 | 290008 | 1.45 |
| | | 3001 – 4000 | 57 | 1.25 | 203335 | 1.02 |
| | | 4001 – 5000 | 60 | 1.32 | 282920 | 1.42 |
| | | 5001 – 10000 | 96 | 2.11 | 727165 | 3.64 |
| | | 10001 and above | 106 | 2.33 | 17294862 | 86.66 |
| | | Total | 4558 | 100.00 | 19958236 | 100.00 |
| l. | Dematerialization of shares and Liquidity | 88.55% (approx.) of the shares have been dematerialized up to 31 st March, 2023 | | | | |
| M | Registrar & Share Transfer Agent | Venture Capital and Corporate Investments Private Limited E-mail: info@vccipl.com Contact Person : Mr. E S K Prasad, Chief Executive Ph: 040 23818475 / 76 Telefax: 040 23868024 | | | | |
| n. | Outstanding GDRs/ADRs/warrants or convertible bonds, conversion date and likely impact on the equity | NIL | | | | |
| o. | Commodity price risk or foreign exchange risk and hedging activities | NIL | | | | |
| p. | Credit Rating | Not Applicable | | | | |
| q. | Employees Stock Options Scheme | The Board in its Meeting held on 14 November, 2016 has approved BCL ESOP-2016 policy to its Employees with 10 Lakh fully paid-up Equity Shares, which were approved by the shareholders in the 35 th Annual General Meeting held on 30 September, 2016. The in-principle approval for the said 10 lakh options was obtained from BSE on 04 January 2017. The Company did not grant any options during F.Y. 2022-23 | | | | |

| | | |
|-----------|---|---|
| r. | Registered Office and Address for correspondence | Level-2, Wing-A, Melange Towers, Patrika Nagar, HITECH City, Madhapur, Hyderabad – 500081 Tel:+040-42619840 Fax: + 91-40-66222444 Email: cosecy@bodhtree.com Website: www.bodhtree.com |
|-----------|---|---|

**For and on behalf of the Board
For Bodhtree Consulting Ltd**

Place: Hyderabad
Date: 08.09.2023

Naveen Erva
Director
(DIN:09342849)

Santosh Kumar Vangapally
Whole-time Director
(DIN: 09331903)_

Whole-time Director and CFO Certification

We, Whole-time Director & Chief Financial Officer of Bodhtree Consulting Limited, to the best of my knowledge and belief, hereby certify that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) These statements together present true and fair view of the Company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.

- d) We have indicated to the auditors and the Audit committee that there are no:
- (1). Significant changes in internal control over financial reporting during the year;
 - (2). Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3). Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Bodhtree Consulting Limited

Place: Hyderabad

Date: 08.09.2023

Santosh Kumar Vangapally

Whole-time Director

(DIN: 09331903)

B R Naresh Kumar

CFO

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

I, Santosh Kumar Vangapally, Whole-time Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the financial year 2021-22

Place: Hyderabad

Date: 08.09.2023

Santosh Kumar Vangapally

Whole-time Director

(DIN: 09331903)

Bodhtree Consulting Limited**INDEPENDENT AUDITOR'S REPORT**

To
The Members of
M/s. BODHTREE CONSULTING LIMITED

Report on the Audit of the Standalone Financial Statements**Qualified Opinion**

We were engaged to audit the accompanying Standalone financial statements of BODHTREE CONSULTING LIMITED (“the Company”), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Standalone State of affairs of the Organisation, as at 31st March, 2023, and its Standalone profit/loss, Standalone Changes in Equity and its Standalone cash flows for the year ended on that date.

Basis for Qualified Opinion

(I) As referred in Note 2.6 to the financial statements, as at 31 March 2023, the carrying value of the Company's Property, Plant and Equipment (PPE), Intangible Assets and Intangible Assets under Development are Rs. 92.87 lacs, Rs.97.86 lacs and Rs.2,583 lacs respectively. In accordance with Ind AS 36 “Impairment of Assets”, in view of the uncertainty of resumption of the Company's operations, the Management is required to make an assessment of impairment to the carrying value of its assets.

(II) We refer to Note 2.17 to the financial statements. As stated in the Note, the Company has trade receivables amounting to Rs.6,327 lacs (approximately) as at 31 March 2023, (of which Rs.31.48 lacs has been recovered / adjusted subsequently until the date of this report). In view of suspension of operations, uncertainty of resumption of future operations and absence of confirmations as at the year end from majority of parties, we have not been able to obtain sufficient appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs.2,248 lacs (approximately) and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the financial statements. We would also like to state that a debtor (related to export of services) who owes Rs.2,181 lacs approximately and another debtor who owes Rs.1,886 lacs has provided explanation to the external confirmations sent by us that the entire amount is

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Withheld. However management is of the opinion that the amount will be recovered and has not made any effect regarding the same in its financial statements.

(III) We draw attention to Note 2.38 to the financial statements, which indicates that the Company's Services has been drastically reduced since January 2023, the Company has incurred a **net loss** of Rs.2,625 lacs (approximately) during the year ended 31 March 2023, this indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern.

However as per the informations and explanation given by the management, the Company has received have positive indications of its revival by December 2023.

(IV) In respect of Company's Borrowings from Banks and Financial Institutions (including NBFCs) aggregating to Rs.806.194 Lacs and Bank Balances (Current Accounts) aggregating to Rs.128.59 Lacs, independent Balance Confirmations as at 31st March, 2023 have not been received.

(V) The Company has given Advances for Supplies/Services and the amount outstanding there as at 31st March, 2023 was Rs.161.93Lacs which was brought forward from earlier year without any adjustments of the same in the current year. We have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid Advances viz. Ageing analysis and the basis on which the same will be adjusted in subsequent period. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the Standalone Financial Statements.

(VI) (a) In regards to the payment towards software technical fees to its consultants, we have noted that the total payments made during the year amounted to the tune of Rs.5,825 lacs which is approximately 1.5 times the revenue from operations, however based on the informations and explanations provided by the management, the additional expenditure has been incurred due to rework of contracts as per the terms of agreement and applicable laws & regulations in the country where services are exported.

(b) In respect of the agreements entered with technical consultants, the deliverables of the consultants, their execution of the contract, their roles and responsibilities and their payment terms and conditions were not clearly defined and we have observed that KYC details were also not maintained properly. Hence, we are of the opinion that the internal controls relating to the same needs to be strengthened.

(VII) In respect of bad debts written off during the year amounting to Rs.54.78 lacs (approximately) with regards to export services, the documentary evidence demonstrating follow-up for recovery, legal action and other communication and board approvals were insufficient due to which, we are not able to form an opinion.

(VIII) In respect of recognition of revenue as per Ind As 115, the Organization has to enter into contract with its customers, the parties to the contract must have approved the contract (in writing, orally or in accordance with customary business practices) and are committed to perform their respective obligations;

The Enforceability of the rights and obligations in a contract is a matter of law, contracts can be written, oral or implied by an entities customary business practices. The practices and processes for establishing contracts with customers vary across legal jurisdictions, industries and entities. In addition they may vary within an entity (for example. they may depend on the class of customer or the nature of the promised goods or services).

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We have been provided majority of contracts the organization has entered into during the year under audit for verification of compliance with Ind As 115 by the management, however few contracts are yet to be provided, therefore we have not been able to obtain sufficient appropriate audit evidence regarding the management compliance with Ind As 115 for the few contracts which are not provided, due to which we are unable to quantify its effects on the financial statements.

(IX) As a part of Corporate Insolvency Resolution Process (CIRP), Creditors were called upon to submit their claims. Till the date of our signing of the Standalone Financial Statements, claims submitted by Creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation and final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and Financial Creditors. Hence, it is not practicable to quantify the Financial Impact of the same, if any, on the Standalone Financial Statements

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming of our Opinion. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

We draw attention to Note No 2.38. to the Standalone Financial Statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as agoing concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Standalone Financial Statements have been prepared on a going concern basis.

Management's / Resolution Professional's Responsibility for the Financial Statements

In accordance with the Code, the Honorable National Company Law Tribunal, Hyderabad Bench I ("NCLT") on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the Committee of Creditors on 31March 2023.However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP process, the powers of the Board of Directors were suspended and shall vest with the Resolution Professional ("RP") under the provisions of the Code.

The Company's Management / Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

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preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Standalone financial statements, the resolution professional is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Resolution professional intends either to liquidate the company or cease operations, or has no realistic alternative but to do so.

The Board is professional is responsible for overseeing the Company's Financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements

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or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors/ Resolution Professional are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material

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misstatement therein, we are required to communicate the matter to those charged with Governance.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a Statement on the Matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by section 143(3) of the Act, we report that:

a) We have sought, and except for the matters described in the Basis for Qualified Opinion section above, we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Due to the possible effects of the matter described in the Basis for Qualified Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company regarding those few matters discussed in the Basis for qualified Opinion section, with regards to all other matters the Company is maintaining proper Books of Accounts in our opinion.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) Due to the possible effects of the matters described in the Basis for Qualified Opinion section above, we are unable to state whether the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act for the matters described in the Basis for Qualified Opinion section, regarding all other matters the financial Statements of the Company is in Compliance with Ind AS as per Section 133 of the act.

e) The matters described in the Basis for Qualified Opinion section above in our opinion, may have adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors/ Resolution Professional, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

j) With respect to the other matters to be included in the Auditor's Report in accordance with

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Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provisions for long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Annexure 'A' to the Independent Auditor's Report

[Referred to in Paragraph (2)h under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the Members of the Company on the Standalone Financial Statements for the year ended 31st March, 2023]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of the Company as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board is responsible for establishing and maintaining Internal Financial Controls, based on the Internal Control with reference to Financial Statements criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records and the timely preparation of reliable Financial Information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statements and their Operating Effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining in understanding of Internal Financial Controls with reference to Financial

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Statements, assessing the risk that a material weakness exists and testing and evaluating the design and Operating Effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Audit Opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's Internal Financial Control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control with reference to Financial Statements includes those Policies and Procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that Receipts and Expenditures of the Company are being made only in accordance with authorisations of Management and Directors/Resolution Professional of the Company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorised acquisition, use or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the Inherent Limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or Improper Management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the Policies or Procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Operating Effectiveness of the Company's Internal Financial Control with reference to Financial Statements as at 31st March, 2023:

- a) Deficiencies in documentation in relation to Borrowings [fully described in point (V) under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Standalone Financial Statements of the Company for the year ended 31st March, 2023];
- b) Ageing Analysis etc. Pertaining to Advances given for Supplies/Services [fully described in point (VI) under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Standalone Financial Statements of the Company for the year ended 31st March, 2023];
- c) Omission to get Impairment Assessment done in respect of certain Tangible and Intangible Assets and in obtaining Fair Valuation of a Non-Current Investment, [fully described in point

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(I) respectively], under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Standalone Financial Statements of the Company for the year ended 31st March, 2023];

d)Considering the nature of Company's business involving multiple operating locations and the risks involved, during our course of audit, we have not come across any Risk & Control Matrix, identifying major risks impacting on Standalone Financial Statements of the Company and building an appropriate control framework to combat such risks. Hence, we are unable to comment on the accuracy and fairness of the numbers reported and disclosures made in Financial Statements.

A 'Material Weakness' is a deficiency, or a combination of deficiencies, in Internal Financial Controls with reference to Financial Statements, such that there is a reasonable possibility that a material misstatement of the Company's Annual or Interim Financial Statements will not be prevented or detected on a timely basis.

In our Opinion, the Company has, in all material respects, maintained adequate Internal Financial controls with reference to Financial Statements as of 31st March, 2023, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note issued by the ICAI, an except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's Internal Financial Controls with reference to Financial Statements were operating effectively as of 31st March, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our Audit of the Standalone Financial Statements of the Company for the year ended 31st March, 2023, and these material weaknesses have affected our opinion on the Standalone Financial Statements and we have issued a Qualified Opinion on the Standalone Financial Statements of the Company.

Place: Hyderabad

Date: 10.08.2023

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CARO-2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **BODHTREE CONSULTING LIMITED** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment:
 - (a) The Company has maintained records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. However certain recordings are under process.
 - (b) The Companies records showing full particulars of Intangible Assets, and Intangible Assets under Development has few shortfalls which are in the process of rectification as per the information's and explanation provided to us by the management.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant, and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (d) The Company doesn't own any immovable property, hence reporting under this Clause is not applicable.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued, nor obtained a Valuation Report by a Registered Valuer as defined under rule 2 of the Companies (Registered Valuers & Valuation) Rules, 2017. With respect to Property, Plant and Equipment.
 - (f) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. The Company is involved in providing Information Technology and IT Enabled Services, hence does not hold any physical inventory. Therefore reporting under this clause is Not Applicable.
- iii. (a) The Company has provided working capital loan in the nature short term loan to its 100% subsidiary Bodhtree Human Capital Private Limited during the year and certify the following in this regards.

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(b) The Company is not engaged in the business to give loans primarily. Hence clause (iii) (a) is applicable.

During the year, the company has given loans to companies and other parties as per the following table.

| Particulars | Loans & Advances given to Subsidiaries, Joint Ventures and Associates | Loans & Advances given to parties other than Subsidiaries, Joint Ventures and Associates |
|--------------------------------------|---|--|
| Aggregate amount during the year | Rs.9,04,929.00/- | - |
| Balance Outstanding as at 31.03.2023 | Rs.26,60,715.00/- | - |

- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of such loans/advances or for providing any guarantee or security are not provided to us, therefore we are not able to express an opinion whether the same is prejudicial to the company or not.
- (d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the schedule for payment of the principal and payment of interest on loans and advances relating to loan granted to its 100% Subsidiary Bodhtree Human Capital Pvt Ltd have not been provided to us.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, no amount is overdue for more than 90 days.
- (f) According to information and explanations given to us and on the basis of our examination of the records of the Company, no loan or advance in the nature of loan has fallen due during the year.
- (g) The Company has granted loan/ advance in nature of loan which is either repayable on demand or without specifying any terms or period of repayment. As per details mentioned below:

| Particulars | All Parties | Promoters | Related Parties |
|---|-------------|-----------|--------------------|
| Aggregate amount of Loans/Advances in nature of Loans | | | |
| A. Repayable on demand | - | - | - |
| B. Without any term/period of repayment | - | - | Rs. 26,60,715.00/- |

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| | | | |
|--------------------------|------|---|--------------------|
| Total (A+B) | | | Rs. 26,60,715.00/- |
| Percentage of Such Loans | 100% | - | 100% |

- iv. The company has not advanced any loans, guarantees to directors of the company. Hence, this clause is not applicable to the company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits in contravention to the provisions of Sec 73 to 76 of The Companies Act, 2013, The Companies (Acceptance of deposit rules, 2014), any other relevant provisions of The Companies Act, 2013, and directives issues by Reserve Bank of India. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court/ any other tribunal.
- vi. As per information & explanation given by the management, The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities, however during the year the company has undergone Corporate Insolvency Resolution process due to which the bank accounts of the Company have been freezed for a period of two months namely February and March, due to change of signing authorities, however once the bank accounts signing authority have been formally delegated to the Resolution professional appointed under the Insolvency and Bankruptcy code,2016 the statutory payments with respect to Employees Provident Fund and ESI, Professional tax have been duly paid for the two months where bank account has been freezed.

(b)According to the information and explanations given to us there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute except as given below:

| S. No | Particulars | Amount (Rs.) |
|--------------|------------------------|--------------------|
| 1 | TDS Payable | 3,58,87,919 |
| 2 | Provident Fund Payable | 20,81,020 |
| 3 | ESI Payable | 5,207 |
| Total | | 3,79,74,146 |

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- viii. According to the information and explanations given to us and on the basis of our examination of the records, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- a. The Company has not defaulted in repayment of loans or interest thereon to any lender. Interest free loans amounting to Rs. 4,39,40,130/- are repayable on demand. Such loans and interest thereon have not been demanded for repayment during the relevant financial year.
 - b. The Company has not been declared willful defaulter by any bank or financial institution or other lender nor received any show cause from any lender.
 - c. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - d. On an overall examination of the financial statements, Company has not utilized short term fund for long term investments.
 - e. On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.
 - f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.

Bodhtree Consulting Limited

- xi. (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year under audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not received any Whistle Blower complaint during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate Internal Audit System commensurate with the size and the nature of its business.
- (b) We have considered the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with its directors during the year under audit and hence provisions of section 192 of The Companies Act, 2013 are not applicable to the company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

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- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. The earlier Statutory Auditor of the Company has resigned during the year and we have been appraised of the issues/ objections and concerns raised by the outgoing auditor, there are no concerns of outgoing auditor beyond those stated in no objection certificate and resignation letter received by the outgoing auditor.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that the company is in a capacity to repay all its liabilities, during the year the company is undergoing Corporate Insolvency Resolution Process, the company has declared a loss of Rs.26,25,13,166 /-, however as per the informations and explanations provided to us by the management the company is showing positive traits of business revivals and future work orders which indicates the financial position of the company will improve in the future.
- xx. (a) Section 135 of the Companies Act, 2013, related to corporate social responsibility is applicable to company, however during the year the company has undergone Corporate Insolvency Resolution Process due to which it was not in a position to spend any amount towards corporate social responsibility as per the information and explanations given to us by the management.
- (b) There is no amount to be spent for other than ongoing projects towards corporate social responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the order is not applicable for the year.
- (b) The Company does not have any ongoing projects relating to CSR. Hence, reporting under clause 3(xx)(b) of the order is not applicable.
- xxi. There have been no adverse remarks in the audit report related to the subsidiary of the company as per the audit reports.

For RSM & ASSOCIATES

Chartered Accountants,
Firm Reg No: 002813S

CA. E. Madhusudhana Reddy

Partner
Membership No: 202308
UDIN:

Bodhtree Consulting Limited

Place: Hyderabad

Date: 10-08-2023

1. General Information

Bodhtree consulting Ltd (“the Holding company”) and its subsidiaries (together “the group”) are engaged in the IT and IT enabling services (ITES) provider. The company has business operations mainly in India and USA. The company is a public limited company incorporated And domicile in India and has its registered office at Mélange towers, Patrikanagar, Madhapur, Hitech city Hyderabad TG 500081 IN. The company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The principle accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In accordance with the Insolvency and Bankruptcy Code, the Honorable National Company Law Tribunal, Hyderabad Bench I (“NCLT”) on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the Committee of Creditors on 31 March 2023. However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP process, the power and responsibilities of the Board of Directors were suspended and shall vest with the Resolution Professional (“RP”) who is appointed by the Committee of Creditors.

2. Summary of Significant Accounting Policies**2.1 Basis of preparation and presentation of Financial Statements**

The financial statements of Bodhtree Consulting Ltd (“BCL” or “the company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon IND AS and Schedule III of Companies Act, 2013.

2.2 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- a. Derivative financial instruments are measured at fair value.
- b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- c. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- d. Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

2.3 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

a. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

b. Employee Benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

c. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.

e. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupees.

2.4 Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.5 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

2.6 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include:

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on the Companies Act, 2013 ("Schedule II"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|-----------------------|--------------------------------|
| Audio & Video systems | 2 |
| Electrical items | 10 |
| AC'S/UPS/Stabilizers | 5 |
| Vehicles | 8 |
| Computers | 3 |
| Office Equipment | 5 |
| Furniture & Fixtures | 10 |

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment notready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

2.7 Intangible assets

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset’s future economic benefit are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

| Type of Asset | Estimated useful life |
|--------------------------|-----------------------|
| Intangible Assets | |
| Computer Software | 3 |

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between netdisposal proceeds and the carrying amounts are recognized in the statement of profit and loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As company trade receivables are realized within normal credit period adopted by the company, hence the company trade receivables are not impaired except for certain customers for which adequate provision has been made on the same.

b. Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

2.9 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year on March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.10 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, "short-term" means investments having maturity of three months

or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits, balance in dividend accounts which are not due and unclaimed dividend balances shall be disclosed as restricted cash balances.

2.11 Employee Benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

c. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

d. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

e. Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

2.12 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.13 Revenue Recognition

Sale of goods and services

Revenue is recognized when the Company substantially satisfied its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Unbilled revenue represents amounts recognized based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses. Revenues from annual maintenance contracts are recognized pro-rata over the period of the contract in which the services are rendered.

Revenue from sale of licenses, hardware and other related items are recognized when the significant risk and rewards of ownership and title of the product is transferred to the buyer which generally coincides with acknowledgement of delivery. The value of sale is net of taxes.

Other Income

Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

2.14 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing cost also include Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.15 Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.16 Earnings per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.17 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment, if any.

| Particulars | Amount in Rs. | |
|--|------------------------------|------------------------------|
| | As At 31st March, 2023 | As At 31st March, 2022 |
| Receivables considered good – Secured | - | - |
| Receivables considered good –UnSecured | 63,27,39,785 | 1,02,05,43,104 |
| Provision for Bad & Doubtful Debts | (54,78,305) | (12,55,46,726) |
| Total | 62,72,61,480 | 89,49,96,378 |

2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Fair value which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to

similar lease agreements. In respect of the company's borrowings that floating rates of interest, their fair value approximates carrying value.

(a) Depreciation and amortization

Depreciation and amortization are based on management estimates of the future use full lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in the market conditions and other factors and may result in changes in the estimated useful life and may result in changes in the estimated useful life and the depreciation and amortization charges.

(b) Employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an accrual basis using various assumptions. The assumptions used in determining the net cost/ (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(c) Trade receivables

The credit worthiness of Trade receivables and the credit terms set are determined on a case to case basis and the management has factored in the uncertainties arising out of Covid -19, as applicable. Based on other internal and external sources of information as determined by the management, the company expects to fully recover the carrying amount of trade receivables except from certain customers and the company had made the adequate provision on the same.

The fair value of Trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become over due.

2.17 Auditors Remuneration

| Particulars | For the year ended 31 st March, 2023 | For the year ended 31 st March, 2022 |
|--|---|---|
| a) Audit fees | 8,00,000 | 13,32,497 |
| b) Other charges | - | - |
| Taxation matters | - | - |
| Certification fee | - | - |
| c) Reimbursement of out of pocket expenses | - | - |
| TOTAL | 8,00,000 | 13,32,497 |

2.18 Earnings per Share

| Particulars | For the year ended 31 st March, 2023 | For the year ended 31 st March, 2022 |
|--|---|---|
| Earnings | | |
| Profit attributable to equity holders | (26,26,24,635) | 72,24,279 |
| Shares | | |
| Number of shares at the beginning of the year | 1,99,58,236 | 1,99,58,236 |
| Add: Equity shares issued | - | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 1,99,58,236 | 1,99,58,236 |
| Weighted average number of equity shares outstanding during the year - Basic | - | - |
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| Weighted average number of equity shares outstanding during the year - Diluted | - | - |
| Earnings per share of par value ₹ 2/- -Basic (₹) | (13.16) | 0.36 |
| Earnings per share of par value ₹ 2/- - Diluted (₹) | (13.16) | 0.36 |

Bodhtree Consulting Limited
2.18 Related Parties

| | |
|--|--|
| Subsidiary Company | Bodhtree Human Capital Pvt Limited |
| Key Management Personnel | Mr. Srinivas Rao Ravinathula (Resolution Professional) |
| | Mr. Santosh Kumar Vangapally (Whole time Director) |
| | Mrs. Pompa Mukherjee, Company Secretary |
| Enterprises controlled or significantly influenced by individual / relatives | Kepler Information Systems Pvt Ltd |
| | Skyline Ventures India Ltd |
| | Bodhtree Solutions Inc (Holding Company Upto 29/05/2016) |
| | Bodhtree technologies PTE Ltd |
| | Bodhtree Solutions Pte Limited (Fellow Subsidiary Upto 29/05/2016) |

The following is a summary of significant related party transactions:

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|---|--|--|
| Sales/Rendering services | | |
| Bodhtree consulting LLC | 26,90,06,601 | 77,62,42,925 |
| Kepler Information Systems Pvt Ltd | 3,24,31,828 | - |
| Bodhtree solutions PTE Ltd | | - |
| Skyline ventures India Ltd | | - |
| Cemetrix (IT)Services Pvt Ltd | | - |
| | | |
| Purchases/availing Services | | |
| Kepler Information systems pvt Ltd | | - |
| Bodhtree technologies PTE Ltd | - | - |
| Naskon soft solution pvt ltd | - | 9,44,53,481 |
| | | |
| | | |
| Remuneration to key Managerial Persons | | |
| L N Rama Krishna -Managing Director | - | 19,41,436 |
| Varsha Gupta | - | 3,17,227 |
| A S Nageshmar Rao | | 5,50,473 |
| Kotha Rajesh Gupta | | 91,245 |
| Kavitha Somavarapu | 3,94,911 | 1,79,721 |
| Pompa Mukherjee | 1,66,666 | |
| Loans Received/(Repaid) | | |

Bodhtree Consulting Limited

| | | |
|-------------------------------------|-------------|-------------|
| Kepler Information Systems Pvt Ltd | - | 2,92,135 |
| L N Rama Krishna -Managing Director | 4,39,40,130 | 1,10,59,709 |
| | | |
| Advances given/(taken) | | |
| Bodhtree Human capital pvt ltd | 26,60,715 | 12,88,248 |
| Naskon Soft Solution pvt ltd | - | 22,15,000 |
| | | |
| Directors sitting fees | | |
| Anil | | - |
| L N Ramakrishna | | - |
| Rajesh Katragadda | | - |
| Santosh Kumar Vangapally | 11,57,256 | 5,69,469 |
| Naveen Erva | | - |
| Subhashini P | | - |
| Pattabiraman | | - |
| | | |

2.19 Earnings/expenditure in foreign currency:
Expenditure in Foreign Currency:

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|-----------------------------|--|--|
| Purchase of Licenses | - | - |
| Travelling & Other expenses | - | - |
| Total | - | - |

Earnings in Foreign currency:-

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|----------------------|--|--|
| FOB Value of Exports | 53,25,38,195 | 82,52,91,277 |
| Total | 53,25,38,195 | 82,52,91,277 |

2.20 Segment Reporting:

The Company concluded that there is only one operating segment i.e., IT and IT Enabling Services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

Bodhtree Consulting Limited
2.21 Employee benefits:
Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the “Gratuity Plan”) and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee’s last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2023 and 2022 consist of the following

| Particulars | For the Years ended 31 st March | |
|---|--|-----------------|
| | 2023 | 2022 |
| Current service cost | 61,341 | 1,52,917 |
| Interest on net defined benefit liability/(asset) | 26,812 | 74,603 |
| Gratuity cost recognized in statement of profit and loss | 88,153 | 2,27,520 |

Details of the employee benefits obligations and plan assets are provided below:

| Particulars | As of 31 st March | |
|---|------------------------------|------------------|
| | 2023 | 2022 |
| Present value of funded obligations | - | - |
| Fair value of plan assets | - | - |
| Net defined benefit liability / (asset) recognized | 3,40,547 | 41,02,972 |

Details of changes in the present value of defined benefit obligations are as follows:

| Particulars | As of 31 st March | |
|---|------------------------------|------------------|
| | 2023 | 2022 |
| Defined benefit obligations at the beginning of the year | 4,71,571 | 54,23,488 |
| Current service cost | 61,341 | 1,52,917 |
| Interest on defined obligations | 26,812 | 74,603 |
| Re-measurements due to: | | |
| Actuarial loss/(gain) due to change in financial assumptions | -7,460 | -20,299 |
| Actuarial loss/(gain) due to demographic assumptions | - | - |
| Actuarial loss/(gain) due to experience changes | -815 | 4,79,436 |
| Benefits paid | -2,11,242 | - |

| | | |
|--|-----------------|------------------|
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | - | - |
| Defined benefit obligations at the end of the year | 3,40,547 | 29,62,776 |

Details of changes in the fair value of plan assets are as follows:

| Particulars | As of 31 st March | |
|--|------------------------------|----------|
| | 2023 | 2022 |
| Fair value of plan assets at the beginning of the year | - | - |
| Employer contributions | - | - |
| Actuarial loss/(gain) on plan assets | - | - |
| Re-measurements due to: | | |
| Return on plan assets excluding interest on plan assets | | |
| Benefits paid | - | - |
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | - | - |
| Plan assets at the end of the year | - | - |

Summary of Actuarial Assumptions

The actuarial assumptions used in accounting for the Gratuity Plan are as follows: The assumptions used to determine benefit obligations:

| Particulars | As of 31 st March | |
|-------------------------------|------------------------------|-------|
| | 2023 | 2022 |
| Discount rate | 7.50% | 7.33% |
| Rate of compensation increase | 0.00% | 0.00% |

Leave Encashment

The Company provides for accumulation of compensated absences for certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company’s policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee’s qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

2.22 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

| Particulars | For the Year Ended 31 st March |
|-------------|---|
|-------------|---|

| | 2023 | 2022 |
|--|------------------|--------------------|
| Current taxes expense | | |
| Domestic | 0 | 90,17,294 |
| Deferred taxes expense/(benefit) | 21,17,624 | (1,17,65,324) |
| Total income tax expense/(benefit) recognized in the statement of profit and loss | 21,17,624 | (27,48,030) |

a) Reconciliation of Effective tax rate

| Particulars | For the Year Ended 31 st March | |
|--|---|------------------|
| | 2023 | 2022 |
| Profit before income taxes | (26,05,07,011) | 44,76,249 |
| Enacted tax rate in India | 25.168% | 25.168% |
| Computed expected tax benefit/(expense) | (6,55,64,405) | 11,26,672 |

| Effect of: | | |
|--|---------------|------------------|
| Expenses not deductible for Tax purposes | 79,97,768 | 1,18,90,759 |
| Expenses deductible for Tax purposes | (1,24,11,119) | (1,58,92,476) |
| Taxable at Special Rate | - | - |
| Exempted income form SEZ | - | - |
| Reversal of excess provision created in previous years | - | - |
| Income tax benefit/(expense) | - | 90,17,294 |
| Effective tax rate | - | 201% |

The Company's average effective tax rate for the years ended March 31, 2023 and 2022 were 0% and 201%, respectively.

a) **Deferred tax assets & Liabilities:**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | For the Year Ended 31 st March | |
|--|---|------------------|
| | 2023 | 2022 |
| Deferred tax assets/(liabilities): | | |
| Property, plant and equipment | 78,20,324 | 98,13,373 |
| Others | (2,59,503) | (97,434) |
| Net deferred tax assets/(liabilities) | 75,60,821 | 97,15,939 |

2.23 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes

are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Board of Directors, Risk Management Committee and the Audit Committee is responsible for overseeing the Company’s risk assessment and management policies and processes.

a. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

The table provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2023 and 31 March 2022.

As on 31 March 2023

| Particulars | 1Year | 1-5Years | >5Years | Total |
|---------------------------|--------------|-----------------|-------------------|--------------|
| Assets | | | | |
| Trade receivables | 62,72,61,480 | | | |
| Cash and cash equivalents | 1,28,59,224 | | | |
| Other bank balances | 3,19,92,457 | | | |
| Loans and advances | 64,63,020 | | | |
| Other financial assets | 2,31,15,140 | | | |
| Liabilities | | | | |
| Trade payables | 41,81,25,645 | | | |
| Long term borrowings | 4,42,65,130 | | | |
| Short term borrowings | 8,06,19,094 | | | |

Bodhtree Consulting Limited


| | | | | |
|-----------------------------|-----------|--|--|--|
| Other financial liabilities | 90,44,422 | | | |
|-----------------------------|-----------|--|--|--|

As on 31 March 2022

| Particulars | 1 Year | 1-5 Years | >5Years | Total |
|-----------------------------|--------------|-----------|---------|--------------|
| Assets | | | | |
| Trade receivables | 89,49,96,378 | - | - | 89,49,96,378 |
| Cash and cash equivalents | 9,80,966 | - | - | 9,80,966 |
| Bank balances | 3,07,78,599 | - | - | 3,07,78,599 |
| Loans and advances | 38,02,305 | - | - | 38,02,305 |
| Other financial assets | 1,12,22,340 | - | - | 1,12,22,340 |
| Liabilities | | | | |
| Trade payables | 35,51,70,569 | - | - | 35,51,70,569 |
| Long term borrowings | 1,65,39,852 | - | - | 1,65,39,852 |
| Short term borrowings | 15,87,16,420 | - | - | 15,87,16,420 |
| Other financial liabilities | 90,44,422 | - | - | 90,44,422 |

2.24 Financial Instrument:

The carrying value and fair value of financial instruments as at 31 March 2023 and 31 March 2022 were as follows:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|-------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | Total carrying value | Total fair value/ amortised cost | Total carrying value | Total fair value/ amortised cost |
| Financial assets | | | | |

Bodhtree Consulting Limited

| | | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Cash and cash equivalents | 1,28,59,224 | 1,28,59,224 | 9,80,966 | 9,80,966 |
| Other bank balances | 3,19,92,457 | 3,19,92,457 | 3,07,78,599 | 3,07,78,599 |
| Investments | 81,55,630 | 81,55,630 | 80,85,630 | 80,85,630 |
| Trade receivables | 62,72,61,480 | 62,72,61,480 | 89,49,96,378 | 89,49,96,378 |
| Loans | 64,63,020 | 64,63,020 | 38,02,305 | 38,02,305 |
| Other financial assets | 2,31,15,140 | 2,31,15,140 | 1,12,22,340 | 1,12,22,340 |
| Total | 70,98,46,951 | 70,98,46,951 | 949,866,218 | 949,866,218 |
| Financial liabilities | | | | |
| Trade payables | 41,81,25,645 | 41,81,25,645 | 35,51,70,569 | 35,51,70,569 |
| Long-term borrowings | 4,42,65,130 | 4,42,65,130 | 1,65,39,852 | 1,65,39,852 |
| Short-term borrowings | 8,06,19,094 | 8,06,19,094 | 15,87,16,420 | 15,87,16,420 |
| Lease Liabilities | - | - | - | - |
| Other financial liabilities | 90,44,422 | 90,44,422 | 90,44,422 | 90,44,422 |
| Total | 55,20,54,291 | 55,20,54,291 | 53,94,71,623 | 53,94,71,623 |

2.25 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

| Particulars | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| Contingent Liabilities | | |
| Guarantees | | |
| Bank Guarantee | 6,48,07,500 | 7,64,23,230 |
| | | |

2.26 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. Due to lack of profit during the year and uncertainty due to insolvency no amount was spent during the year towards CSR.

Capital Management

The Company’s objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company’s Debt Equity ratio is as follows:

| Particulars | 2023 | 2022 |
|--------------------------|---------------|---------------|
| Total Debt | 75,24,67,223 | 73,61,52,964 |
| Total Equity | 41,92,91,993 | 68,18,05,152 |
| Debt Equity Ratio | 1.79:1 | 1.07:1 |

2.36 Ratio analysis

| Ratio | Numerator | Denominator | As at 31 March 2023 | As at 31 March 2022 | Variance (in %) |
|---|------------------------------------|-----------------------------------|------------------------|---------------------------|--------------------|
| Current ratio (no of times) | Current Assets | Current Liabilities | 1.24 | 1.55 | (20.00) |
| Debt- Equity Ratio (no of times) | Total Debt | Shareholder's Equity | 1.79 | 1.08 | 65.74 |
| Debt Service Coverage ratio (no of times) | Earnings for debt service | Debt service | (19.22) | 2.55 | (853.73) |
| Return on Equity ratio (%) | Net Profits after taxes | Average Shareholder's Equity | (47.7) | 1.07 | (4557.94) |
| Inventory Turnover ratio (no of times) | Cost of goods sold | Average Inventory | - | - | - |
| Trade Receivable Turnover Ratio (no of times) | Revenue | Average Trade Receivable | 0.52 | 1.2 | (56.67) |
| Trade Payable Turnover Ratio (no of times) | Net credit purchases | Average Trade Payables | 1.51 | 2.15 | (29.77) |
| Net Capital Turnover Ratio (no of times) | Revenue | Working capital | 2.5 | 2.67 | (6.37) |
| Net Profit ratio (%) | Net Profit | Revenue | (61.37) | 0.68 | (9125.00) |
| Return on Capital Employed (%) | Earnings before interest and taxes | Capital Employed | (53.75) | 1.53 | (3613.07) |
| Return on Investment (%) | Income generated from investments | Time weighted average investments | 0.07 | 0.05 | 40.00 |

2.37 Other statutory information:

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

- a. The Company does not have any transactions with struck off companies.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- g. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- h. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- i. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- j. The Company does not have any borrowings from banks or financial institutions against security of its current assets.

2.38 Other Relevant Information

The Company has incurred a net loss of Rs (26,25,13,165)/- during the year ended 31 March 2023 and, as of that date, this indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business, however management is of the opinion that company will revive by December 2023.

Subsequent to a petition filed by operational creditor in year end , in accordance with the Code, the Honorable National Company Law Tribunal, Hyderabad Bench I ("NCLT") on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the



Bodhtree Consulting Limited

Committee of Creditors on 31 March 2023. However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP process, the power and responsibilities of the Board of Directors were suspended and shall vest with the Resolution Professional ("RP") under the provisions of the Code.

In accordance with the CIRP, the IRP had published brief particulars of invitation for expression of Interest from prospective Resolution applicants to submit resolution plan and invited Resolution Plans therefore. The IRP has received responses from certain parties who have submitted their respective resolution plans and the same will now be examined by the RP. Thereafter, the Resolution plans will be submitted to COC for their approval. The plan, as approved by the COC shall be submitted to NCLT for approval in accordance with section 20 of the Code. The RP is taking necessary action as required under the said section to keep the Company as going concern. In view of the above, these Financial Statements have been prepared on going concern basis.

BODHTREE CONSULTING LIMITED

Level 2, Wing B, Melange Towers, Patrikanagar, Madhapur, Hyderabad

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

| Particulars | Note No. | STANDALONE | |
|---|----------|---------------------------|---------------------------|
| | | As At 31st March, 2023 | As At 31st March, 2022 |
| I. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | | 9,287,488 | 13,780,256 |
| (b) Intangible Assets | 4 | 9,786,977 | 9,786,977 |
| (c) Intangible Asset Under Development | | 258,336,709 | 258,336,709 |
| | | 277,411,174 | 281,903,942 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | 8,155,630 | 8,085,630 |
| (e) Deferred Tax Asset | 6 | 7,560,821 | 9,715,939 |
| | | 293,127,626 | 299,705,511 |
| (2) Current Assets | | | |
| Inventories | | - | - |
| (a) Financial Assets | | | |
| (i) Trade receivables | 7 | 627,261,480 | 894,996,378 |
| (ii) Cash and cash equivalents | 8 | 12,859,224 | 980,966 |
| (iii) Bank balances other than (ii) above | | 31,992,457 | 30,778,599 |
| (iv) Loans and advances | 9 | 6,463,020 | 3,802,305 |
| (v) Other Financial Assets | 10 | 23,115,140 | 11,222,340 |
| (b) Current Tax Assets (Net) | 11 | - | - |
| (c) Other Current Assets | 12 | 176,940,270 | 176,472,017 |
| | | 878,631,591 | 1,118,252,606 |
| Total Assets | | 1,171,759,217 | 1,417,958,116 |
| II. EQUITY AND LIABILITIES:- | | | |
| <u>EQUITY</u> | | | |
| (a) Equity Share Capital | 13 | 199,582,360 | 199,582,360 |
| (b) Other Equity | 14 | 219,709,633 | 482,222,793 |
| | | 419,291,993 | 681,805,153 |
| <u>LIABILITIES</u> | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 44,265,130 | 16,539,852 |
| (b) Provisions | 16 | 407,440 | - |
| | | 44,672,570 | 16,539,852 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 80,619,094 | 158,716,420 |
| (ii) Trade Payables | 18 | 418,125,645 | 355,170,569 |
| (iii) Other Financial Liabilities | 19 | 10,236,246 | 12,560,247 |
| (b) Other Current Liabilities | 20 | 198,746,478 | 192,505,536 |
| (c) Provisions | 21 | 67,189 | 660,340 |
| (d) Current Tax Liability | | - | - |
| | | 707,794,653 | 719,613,112 |
| Total Equity & Liabilities | | 1,171,759,217 | 1,417,958,116 |

Bodhtree Consulting Limited



As per our report of even date

For RSM & Associates, Chartered Accountants

FRN :- 002813S

CA. E.Madhusudhana Reddy

Partner

Membership No : 202308

UDIN : 23202308BGRFNK2973

Place : Hyderabad

Date : 03.08.2023

For and on behalf of Board of Directors

SREENIVASA RAO RAVINUTHALA

Resolution professional

SANTOSH KUMAR

VANGAPALLY

DIN 09331903

Whole Time Director

Pompa Mukherjee

Company Secretary

BODHTREE CONSULTING LIMITED

Level 2, Wing B, Melange Towers, Patrikanagar, Madhapur, Hyderabad

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2023

| Particulars | Note No. | STANDALONE | |
|--|----------|-----------------------------|-----------------------------|
| | | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
| <u>Income:</u> | | | |
| Revenue from operations | 22 | 393,399,136 | 1,041,904,169 |
| Other Income | 23 | 34,506,441 | 20,961,657 |
| Total Revenue - (A) | | 427,905,576 | 1,062,865,826 |
| <u>Expenses:</u> | | | |
| Change in Inventory | 28 | - | - |
| Work Execution expenses | 24 | 583,653,242 | 833,872,653 |
| Employee Benefits Expense | 25 | 13,019,909 | 22,022,043 |
| Finance Costs | 26 | 11,144,435 | 11,100,172 |
| Depreciation and Amortization Expenses | 4 | 4,492,768 | 47,241,790 |
| Other Expenses | 27 | 76,102,234 | 144,152,918 |
| Total Expenses - (B) | | 688,412,587 | 1,058,389,577 |
| Profit before exceptional items and tax - (A) -(B) | | (260,507,011) | 4,476,249 |
| Profit Before Tax | | (260,507,011) | 4,476,249 |
| <u>Tax expense:</u> | | | |
| (a) Current Tax | | - | 9,017,294 |
| (c) Deferred Tax - Liability / (Asset) | | 2,117,624 | (11,765,324) |
| Profit/(Loss) for the Year | | (262,624,635) | 7,224,279 |
| Other Comprehensive Income | | | |
| <u>A. Items that will not be reclassified to profit or loss</u> | | | |
| Remeasurements of post employment benefit | | 148,964 | (388,186) |
| Income tax on these item | | (37,494) | 97,706 |
| Total Other Comprehensive income for the period | | 111,470 | (290,480) |
| Total Comprehensive income and P&L for the period | | (262,513,165) | 6,933,799 |
| Earning per equity share: | | | |
| (a) Basic | | (13.16) | 0.36 |
| (b) Diluted | | (13.16) | 0.36 |

| | |
|--|---|
| As per our report of even date For RSM & Associates, Chartered Accountants | For and on behalf of Board of |
| CA. E.Madhusudhana Reddy Partner Membership No : 202308 | SREENIVASA RAO RAVINUTHALA Resolution professional |
| Place : Hyderabad | SANTOSH KUMAR VANGAPALLY DIN 09331903 Whole Time |
| Date | Pompa Mukherjee |

| STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2023 | | |
|---|----------------------|----------------------|
| Particulars | 31.03.2023 | 31.03.2022 |
| Cash Flows from Operating Activities | | |
| Net profit before tax | (260,507,011) | 4,476,249 |
| Other Comprehensive Income | 148,969 | |
| Adjustments for : | | |
| Fair value difference of financial Instruments | (70,000) | (475,000) |
| Depreciation | 4,492,768 | 47,241,790 |
| Finance Costs | 11,144,435 | 11,100,172 |
| Interest received | (1,376,304) | (1,428,706) |
| Unrealised exchange loss /(profit) | (33,130,137) | (19,532,951) |
| Loss/ (Profit) on Sale of Asset | - | 383,000 |
| Loss/ (Profit) on Sale of Investment | - | - |
| Operating profit before working capital changes | (279,297,280) | 41,764,554 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Trade Receivables | 300,865,035 | (55,687,218) |
| (Increase)/Decrease in Other financial assets | (11,892,800) | (8,000,000) |
| (Increase)/Decrease in Other Current Assets | (468,253) | 19,306,047 |
| (Increase)/Decrease in Short Term Loan and Advances | (2,660,715) | (2,017,330) |
| Increase/(Decrease) in Trade Payables | 62,955,076 | (65,449,746) |
| Increase/(Decrease) in Other financial liabilities | (2,324,001) | (4,311,963) |
| Increase/(Decrease) in Other Current liabilities | 6,240,942 | 18,605,719 |
| Increase/(Decrease) in Provisions | (185,711) | (1,574,556) |
| Changes in Working Capital | 352,529,573 | (99,129,047) |
| Cash generated from operations | 73,232,294 | (57,364,493) |
| Direct Taxes Paid net of refunds | - | - |
| Net Cash from operating activities (A) | 73,232,294 | (57,364,493) |
| Cash flows from Investing Activities | | |
| Purchase of Fixed Assets | - | - |
| Product Development Cost | - | - |
| Sale of Asset | - | 10,527,465 |
| Reciept of Interest | 1,376,304 | 1,428,706 |
| (Purchase)/Sale of Investment | - | - |
| Net Cash used in Investing Activities (B) | 1,376,304 | 11,956,171 |
| Cash flows from Financing Activities | | |
| Repayment/(Proceeds) of/from Short-term borrowings | - | - |
| Repayment/(Proceeds) of/from Long-term borrowings | 27,725,278 | (20,406,655) |
| Finance cost | (11,144,435) | (11,100,172) |
| Net Cash used in Financing Activities (C) | 16,580,843 | (31,506,827) |
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 91,189,441 | (76,915,148) |
| Cash and Cash equivalents at the beginning of the year | (126,956,854) | (50,041,706) |
| Cash and Cash equivalents at the ending of the year | (35,767,412) | (126,956,854) |

1) Cash and Cash equivalents includes:

| Particulars | 31.03.2023 | 31.03.2022 |
|-----------------------------------|---------------------|----------------------|
| Cash on hand | - | 135,192 |
| Cash Equivalents | | |
| - Current accounts | 12,859,224 | 845,774 |
| Margin money deposits | 31,992,457 | 30,778,599 |
| Shoret Term Borrowings From Banks | (80,619,094) | (158,716,420) |
| | (35,767,413) | (126,956,854) |

Bodhtree Consulting Limited



As per our report of even date
For RSM & Associates, Chartered
Accountants FRN :- 002813S

For and on behalf of Board of

CA. E. Madhusudhana
Reddy Partner
Membership No : 202308

SREENIVASA RAO RAVINUTHALA
Resolution professional

UDIN : 23202308BGRFNK2973

**SANTOSH KUMAR
VANGAPALLY**

Pompa
Mukherjee

Place :
Hyderabad

**DIN 09331903
Whole Time**

Bodhtree Consulting Limited



BODHTREE CONSULTING LIMITED

Standalone Statement of Changes in Equity for the year ended March 31, 2023

a. Equity Share Capital

Amount In Rs.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the reporting Period | 199,582,360 | 199,582,360 |
| Changes in equity share capital during the | - | - |
| Balance at the end of the reporting period | 199,582,360 | 199,582,360 |

b. Other Equity

Statement of Changes in Equity

| Particulars | Securities Premium | Other Reserves | Retaining Earnings | Total |
|--|-----------------------|------------------|----------------------|----------------------|
| Balance as at April 01, 2022 | 137,334,650 | 5,000,000 | 339,888,143 | 482,222,793 |
| Addition / (deletion) during the year / Period | - | - | - | - |
| Profit / (Loss) for the year | - | - | (262,624,629) | (262,624,629) |
| Other comprehensive income for the year | - | - | 111,470 | 111,470 |
| Total comprehensive income for the year | - | - | (262,513,159) | (262,513,159) |
| Balance as at March 31, 2023 | 137,334,650 | 5,000,000 | 77,374,984 | 219,709,634 |

| Particulars | Securities Premium | Other Reserves | Retaining Earnings | Total |
|--|-----------------------|------------------|--------------------|--------------------|
| Balance as at April 01, 2021 | 137,334,650 | 5,000,000 | 332,927,342 | 475,261,992 |
| Addition / (deletion) during the year / Period | - | - | 27,000 | 27,000 |
| Profit / (Loss) for the year | - | - | 7,224,279 | 7,224,279 |
| Other comprehensive income for the year | - | - | (290,480) | (290,480) |
| Total comprehensive income for the year | - | - | 6,960,801 | 6,960,801 |
| Dividend and Dividend Tax paid | - | - | - | - |
| Balance as at March 31, 2022 | 137,334,650 | 5,000,000 | 339,888,143 | 482,222,793 |

As per our report of even date

For RSM & Associates, Chartered Accountants

For and on behalf of Board of

CA. E.Madhusudhana Reddy
Partner

SREENIVASA RAO RAVINUTHALA
Resolution professional

UDIN : 23202308BGRFNK2973

SANTOSH KUMAR VANGAPALLY

Place :
HyderabadDate

DIN 09331903
Whole Time

Pompa Mukherjee

Note : 4 Fixes Assets

| S.No. | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | Net Block | |
|------------|--|--------------------|-----------|-----------|--------------------|--------------------|------------------|-----------|--------------------|--------------------|--------------------|
| | | As at 01.04.2022 | Additions | Deletions | As at 31.03.2023 | As at 01-04-2022 | Additions | Deletions | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| I | Tangible Assets | | | | | | | | | | |
| 1 | Computer - Hardware | 51,346,535 | - | - | 51,346,535 | 51,037,164 | 30,724 | - | 51,067,888 | 278,647 | 309,371 |
| 2 | AC's/UPS/Stabilisers | 7,547,062 | - | - | 7,547,062 | 7,180,836 | 12,812 | - | 7,193,648 | 353,414 | 366,226 |
| 3 | Electrical Items | 4,825,101 | - | - | 4,825,101 | 3,601,876 | 410,633 | - | 4,012,509 | 812,592 | 1,223,225 |
| 4 | Office Equipment | 17,269,833 | - | - | 17,269,833 | 16,342,464 | 329,645 | - | 16,672,109 | 597,724 | 927,369 |
| 5 | Audio & Video Systems | 211,250 | - | - | 211,250 | 203,834 | 2,771 | - | 206,605 | 4,645 | 7,416 |
| 6 | Furniture & Fixtures | 16,176,732 | - | - | 16,176,732 | 13,349,419 | 1,082,847 | - | 14,432,266 | 1,744,466 | 2,827,313 |
| 7 | Vehicles | 33,985,629 | - | - | 33,985,629 | 25,866,293 | 2,623,336 | - | 28,489,629 | 5,496,000 | 8,119,336 |
| | | 131,362,142 | - | - | 131,362,142 | 117,581,886 | 4,492,768 | - | 122,074,654 | 9,287,488 | 13,780,256 |
| I | Intangible Assets | | | | | | | | | | |
| 1 | Intangible Assets(Midas & GST Project) | 227,439,129 | - | - | 227,439,129 | 217,652,152 | - | - | 217,652,152 | 9,786,977 | 9,786,977 |
| 2 | Computer - Software | 15,758,073 | - | - | 15,758,073 | 15,758,073 | - | - | 15,758,073 | -0 | - |
| | | 243,197,202 | - | - | 243,197,202 | 233,410,225 | - | - | 233,410,225 | 9,786,977 | 9,786,977 |
| | Total | 374,559,344 | - | - | 374,559,344 | 350,992,111 | 4,492,768 | - | 355,484,879 | 19,074,465 | 23,567,233 |
| III | Intangible Assets Under D | 258,336,709 | | - | 258,336,709 | - | - | - | - | 258,336,709 | 258,336,709 |

BODHTREE CONSULTING LIMITED

Notes Forming Integral Part of the Standalone Balance

| Note : 5 Investments | | Amount in Rs. | |
|-----------------------------|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Investment in Equity Instruments | | |
| | <u>Unquoted</u> | | |
| | <u>Investment in Subsidiary</u> | | |
| | Bodhtree Human Capital Private Limited 10,000 Equity Shares of Rs.10 each | 7,110,630 | 7,110,630 |
| | <u>Investments in Associates</u> | | |
| | Learnsmart India Private Limited 505,000 Equity shares of Rs.10 each | 5,050,000 | 5,050,000 |
| | Pressmart Media Limited 5,257,924 Equity shares of Rs.10 each | - | - |
| | <u>Quoted</u> | | |
| | Hypersoft Technologies Limited 100,000 (31st Mar'18 : 100,000,) Equity Shares of Rs.10 each | 1,045,000 | 975,000 |
| | Less: Provision for diminution in value of investments | (5,050,000) | (5,050,000) |
| | Total | 8,155,630 | 8,085,630 |

| Note : 6 Deferred Tax Asset / (Liabilities) | | Amount in Rs. | |
|--|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | On account of depreciation | 7,820,324 | 9,813,373 |
| | On account of provisions, tax losses and investments | (259,503) | (97,434) |
| | Total | 7,560,821 | 9,715,939 |

| Note : 7 Trade Receivables | | Amount in Rs. | |
|-----------------------------------|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Trade Receivables | 632,739,785 | 1,020,543,104 |
| | Less: Provision for bad and doubtful debts | (5,478,305) | (125,546,726) |
| | Total | 627,261,480 | 894,996,378 |

BODHTREE CONSULTING LIMITED

Notes Forming Integral Part of the Standalone Balance

| Note : 8 Cash & Cash Equivalens | | Amount in Rs. | |
|--|---|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Cash on Hand | - | 135,192 |
| | Balances with Banks | | |
| | -In Current Accounts with Banks | 12,859,224 | 845,774 |
| | Sub Total (A) | 12,859,224 | 980,966 |
| | <u>Bank balances other than above</u> | | |
| | In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee | 31,992,457 | 30,778,599 |
| | Sub Total (B) | 31,992,457 | 30,778,599 |
| | Total [A + B] | 44,851,681 | 31,759,566 |

| Note : 9 Loans and Advances | | Amount in Rs. | |
|------------------------------------|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Advances to related parties Bodhtree Human Capital Pvt Ltd | 2,660,715 | - |
| | Less: Provsion for bad and doubtful debts | - | - |
| | | 2,660,715 | - |
| | Deposits | 3,802,305 | 3,802,305 |
| | Total | 6,463,020 | 3,802,305 |

| Note : 10 Other Financial Assets | | Amount in Rs. | |
|---|-------------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Security Deposits | 23,115,140 | 11,222,340 |
| | Total | 23,115,140 | 11,222,340 |

| Note : 11 Current Tax Assets (Net) | | Amount in Rs. | |
|---|--------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Advance Tax (Net) | - | - |
| | Total | - | - |

| Note : 12 Other Current Assets | | Amount in Rs. | |
|---------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Advance to Suppliers | 16,193,584 | 16,193,584 |
| | Work in progress | - | - |
| | Prepaid Expenses | 673,389 | 463,545 |
| | Unbilled Revenue | - | - |
| | Others | 160,073,297 | 159,814,888 |
| | Total | 176,940,270 | 176,472,017 |

BODHTREE CONSULTING LIMITED
Notes Forming Integral Part of the Standalone Balance

| Note : 13 Equity Share Capital | | Amount in Rs. | |
|---|---------------------|---------------------------|---------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| <u>AUTHORIZED CAPITAL</u> | | | |
| 3,10,00,000 Equity Shares of Rs. 10/- each | | 310,000,000 | 310,000,000 |
| | | 310,000,000 | 310,000,000 |
| <u>ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL</u> | | | |
| 1,99,58,236 Equity Shares of Rs. 10/- each with Voting Rights | | 199,582,360 | 199,582,360 |
| <u>Equity Shares of Rs.10/- each:</u> | | | |
| Shares held by holding / ultimate holding company and / or their subsidiaries / associates and details of the shareholding more than 5% shares in the company | | | |
| Name of Shareholder | 2021-22 | 2020-21 | |
| | No.of shares | % | No.of shares |
| | | % | |
| 1. Bodhtree Solutions Inc | 80,00,000 | 40.08 | 80,00,000 40.08 |
| 2. Premeya World Wide Pte Ltd* | 19,12,069 | 9.58 | 19,12,069 9.58 |
| *19,12,069 equity shares were allotted to M/s Premeya World Wide Pte Ltd on 26th April, 2017 on conversion of CCPS for which listing approval from BSE was obtained on 30th May, 2017. However, said equity shares are not yet credited to Beneficiary account of said allottee as the beneficiary has not provided beneficiary account details to the company. | | | |
| Reconciliation of Shares | | 2021-22 | 2020-21 |
| Opening Equity Shares | 1,99,58,236 | | 1,99,58,236 |
| Add: Shares Issued during the year | - | | - |
| Closing Equity Shares | 1,99,58,236 | | 1,99,58,236 |
| | | 199,582,360 | 199,582,360 |
| <u>Details of Shares Issued for Consideration Other than Cash:-</u> | | | |
| 91,00,000 Equity shares of Rs. 10/- were issued on 09th November, 2011 to the shareholders of erstwhile ACP Limited in consideration for the merger with the company as per the order of AP High Court dated 14th August, 2011. | | - | - |
| Total | | 199,582,360 | 199,582,360 |

Rights, Preferences and Restrictions attached to Shares:

Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

| Note : 14 Other Equity | | Amount in Rs. | |
|--|--|---------------------------|---------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| Securities Premium | | | |
| Opening balance | | 137,334,650 | 137,334,650 |
| | | 137,334,650 | 137,334,650 |
| General Reserve | | 5,000,000 | 5,000,000 |
| | | 5,000,000 | 5,000,000 |
| Surplus / (Deficit) in Statement of Profit and Loss | | | |
| Balance at the beginning of the year | | 339,888,149 | 332,927,342 |
| Less: Dividend Paid | | | - |
| Less: Dividend Distribution Tax | | | - |
| Add: Directly effected in OCI | | 111,470 | (290,480) |
| Add: Profit / (Loss) for the year | | (262,624,635) | 7,224,279 |
| Add: Previous year's reserves balance not adjusted | | - | 27,000 |
| | | 77,374,983 | 339,888,143 |
| Total | | 219,709,633 | 482,222,793 |

BODHTREE CONSULTING LIMITED
Notes Forming Integral Part of the Standalone Balance

| Note : 15 Borrowings (Non-Current) | | Amount in Rs. | |
|--|--|-----------------------------------|-----------------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| Secured Loans | | | |
| - From Banks | | | |
| Vehicle Loans | | 1,191,824 | 2,788,372 |
| Less: Current Maturities of Long term Debt | | (1,191,824) | (1,596,596) |
| Term Loan | | - | 1,919,229 |
| Less: Current Maturities of Long term Debt | | - | (1,919,229) |
| | | - | 1,191,776 |
| - From Others | | | |
| Less: Current Maturities of Long term Debt | | - | - |
| | | - | - |
| Total Secured Loans | | - | 1,191,776 |
| Unsecured Loans | | | |
| - From Others | | | |
| Ramakrishna L N Loan A/c | | 43,940,130 | 15,348,076 |
| Less: Current Maturities of Long term Debt | | - | - |
| BCL Employees Benefit Trust | | 325,000 | - |
| Less: Current Maturities of Long term Debt | | - | - |
| Total Unsecured Loans | | 44,265,130 | 15,348,076 |
| Total | | 44,265,130 | 16,539,852 |

Note:

1. Vehicle loans from banks are secured by the hypothecation of vehicles
2. Term loan from HDFC bank are payable in 48 installments starting from 07.01.2018

| Note : 16 Provisions(Non-Current) | | Amount in Rs. | |
|--|--|-----------------------------------|-----------------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| Provision for Employee Benefit | | | |
| Gratuity | | 304,692 | - |
| Compensated Absences | | 102,748 | - |
| Total | | 407,440 | - |

| Note : 17 Borrowings (Current) | | Amount in Rs. | |
|---------------------------------------|--|-----------------------------------|-----------------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| Secured Loans - Refer Note | | | |
| Cash Credit facility from a Bank | | 80,619,094 | 158,716,420 |
| Credit Card Facility | | - | - |
| Unsecured | | | |
| Loan from a Related Party | | - | - |
| Total | | 80,619,094 | 158,716,420 |

Note

1. Secured by hypothecation of Bookdebts, lien on fixed deposits and
2. Personal guarantees of Directors of the Company and collateral security of land owned by Director of the company.

| Note : 18 Trade Payables | | Amount in Rs. | |
|---|--|-----------------------------------|-----------------------------------|
| Particulars | | As At 31st March, 2023 | As At 31st March, 2022 |
| Trade Payables other than Acceptances: | | | |
| Dues to micro enterprises and small enterprises | | | |
| Others | | 418,125,645 | 355,170,569 |
| Total | | 418,125,645 | 355,170,569 |

BODHTREE CONSULTING LIMITED
Notes Forming Integral Part of the Standalone Balance

| Note : 19 Other Financial Liabilities (Current) | | Amount in Rs. | |
|--|--------------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Current Maturities of Long Term Debt | 1,191,824 | 3,515,825 |
| | Other Advances | 9,044,422 | 9,044,422 |
| | Total | 10,236,246 | 12,560,247 |

| Note : 20 Other Current Liabilities | | Amount in Rs. | |
|--|--------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Provision for Expenses | 116,365,845 | 124,816,958 |
| | Provision for Interest & taxes | 155,484 | |
| | Statutory Liabilities | 7,998,529 | -8,137,865 |
| | Security Deposits | 56,925,969 | 56,925,969 |
| | Payable to Employees | 17,300,651 | 18,900,474 |
| | Total | 198,746,478 | 192,505,536 |

| Note : 21 Provisions (Current) | | Amount in Rs. | |
|---------------------------------------|----------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Gratuity | 35,856 | 471,571 |
| | Compensated Absences | 31,333 | 188,769 |
| | Total | 67,189 | 660,340 |

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| Note : 22 Revenue from Operations | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Export Sales | | |
| | Projects - Consultancy Services | 269,006,601 | 904,832,639 |
| | Projects - Off Shore | 301,296 | 2,885,769 |
| | License-Resale(Exports) | - | - |
| | Referral Fees | 367,348 | - |
| | Branch Sales | - | 64,000,000 |
| | | 269,675,245 | 971,718,408 |
| | Domestic Sales | | |
| | Consultancy Services | 90,261,376 | 54,531,094 |
| | Technical Services | 27,484,600 | - |
| | Projects - Onsite Consultancy Services | 4,262,915 | 15,272,803 |
| | | - | 381,864 |
| | Sale of Licences & Others (including devices) | - | - |
| | Branch Sales | 1,715,000 | - |
| | | 123,723,891 | 70,185,761 |
| | Total | 393,399,136 | 1,041,904,169 |

| Note : 23 Other Income | | Amount in Rs. | |
|-------------------------------|--------------------------------------|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Interest on Fixed Deposits with Bank | 1,376,304 | 1,428,706 |
| | Interest on Deposits-Others | - | - |
| | Exchange Fluctuation | 33,130,137 | 19,532,951 |
| | Profit on sale of Investment | - | - |
| | Total | 34,506,441 | 20,961,657 |

| Note : 24 Work Execution Expenses | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Cost of SF / CRM Licenses / Others - (Resale / Own Use) | 26,500 | 55,659,346 |
| | Branch Expenditue- UPS Purchases | 1,120,000 | - |
| | Software - Technical Fee | 582,506,742 | 778,213,308 |
| | Total | 583,653,242 | 833,872,653 |

| Note : 25 Employee Benefit Expenses | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Salaries and Allowances | 11,137,417 | 18,180,670 |
| | Directors Remuneration | 1,157,256 | 2,602,150 |
| | Contribution to Provident Fund & others | 428,109 | 939,102 |
| | Staff Welfare | 297,127 | 300,121 |
| | Total | 13,019,909 | 22,022,043 |

| Note :26 Finance Costs | | Amount in Rs. | |
|-------------------------------|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Interest on Term Loans | - | 397,635 |
| | Interest on Vehicle Loans & Unsecured Loans | 1,322,036 | 327,694 |
| | Interest on Cash Credit from Bank | 7,769,607 | 9,607,722 |
| | Bank & Other Finance Charges | 2,052,792 | 767,122 |
| | Interest on Delayed Payment of Statutory Dues | - | - |
| | Total | 11,144,435 | 11,100,172 |

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| Note : 27 Other Expenses | | Amount in Rs. | |
|--------------------------|---|--------------------------|--------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Insurance | 373,006 | 587,617 |
| | Printing & Stationery | 183,306 | 98,679 |
| | Rent, Rates & Taxes | 6,279,848 | 6,549,876 |
| | Communication Expenses | 90,255 | 277,710 |
| | Travelling Expenses | 2,471,510 | 1,692,249 |
| | Business Promotion Expenses | 881,189 | 335,958 |
| | Electricity & Water Charges | 900,874 | 722,824 |
| | Legal, Professional & Consultancy Charges | 6,844,159 | 2,120,589 |
| | Remuneration to Auditors | 800,000 | 1,332,497 |
| | Repairs & Maintenance | 6,279,932 | 947,388 |
| | Change in Fair Value (P&L) | (70,000) | (475,000) |
| | Miscellaneous Expenses | 1,011,306 | 114,808 |
| | CSR Expenditure | 767,622 | 3,379,925 |
| | Bad debts-Provision- Exports | 5,478,305 | 125,546,726 |
| | Administrative expenses | 1,063,752 | - |
| | Installation Charges | - | 13,600 |
| | Late Payment Fee-Penalty | 3,505,000 | 39,130 |
| | Rates & taxes | 30,394,966 | |
| | Interest on taxes | 373,572 | |
| | Construction Expenses | - | 485,772 |
| | Liquidated Damages | 8,388,632 | |
| | Branch Indirect Expenses | 85,000 | |
| | Loss on sale of Asset | - | 382,570 |
| | Total | 76,102,233.52 | 144,152,918.18 |

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s.BODHTREE CONSULTING LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We were engaged to audit the accompanying Consolidated financial statements of BODHTREE CONSULTING LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of affairs of the Organisation, as at 31st March, 2023, and its Consolidated profit/loss, Consolidated Changes in Equity and its Consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

(I) As referred in Note 2.6 to the financial statements, as at 31 March 2023, the carrying value of the Company's Property, Plant and Equipment (PPE), Intangible Assets and Intangible Assets under Development are Rs. 92.87 lacs, Rs.97.86 lacs and Rs.2,583 lacs respectively. In accordance with Ind AS 36 "Impairment of Assets", in view of the uncertainty of resumption of the Company's operations, the Management is required to make an assessment of impairment to the carrying value of its assets.

(II) We refer to Note 2.17 to the financial statements. As stated in the Note, the Company has trade receivables amounting to Rs.6,416 lacs (approximately) as at 31 March 2023, (of which Rs.31.48 lacs has been recovered / adjusted subsequently until the date of this report). In view of suspension of operations, uncertainty of resumption of future operations and absence of confirmations as at the year end from majority of parties, we have not been able to obtain sufficient appropriate audit evidence regarding the recoverability of the balance trade receivables of Rs.2,348 lacs (approximately) and therefore are unable to conclude on the reasonableness of the carrying value of the trade receivables and the consequential effects, if any, on the financial statements. We would also like to state that a debtor (related to export of services) who owes Rs.2,181 lacs approximately and another debtor who owes Rs.1,886 lacs has provided explanation to the external confirmations sent by us that the entire amount is withheld. However management is of the opinion that the amount will be recovered and has not made any effect regarding the same in its financial statements.

(III) We draw attention to Note 2.38 to the financial statements, which indicates that the Company's Services has been drastically reduced since January 2023, the Company has incurred a **net loss** of Rs.2,659 lacs (approximately) during the year ended 31 March 2023, this indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern.

However as per the informations and explanation given by the management, the Company has received have positive indications of its revival by December 2023.

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(IV) In respect of Company's Borrowings from Banks and Financial Institutions (including NBFCs) aggregating to Rs.806.194 Lacs and Bank Balances (Current Accounts) aggregating to Rs.128.71 Lacs, independent Balance Confirmations as at 31st March, 2023 have not been received.

(V) The Company has given Advances for Supplies/Services and the amount outstanding there as at 31st March, 2023 was Rs.161.93Lacs which was brought forward from earlier year without any adjustments of the same in the current year. We have been unable to obtain sufficient appropriate audit evidence regarding certain aspects of the aforesaid Advances viz. Ageing analysis and the basis on which the same will be adjusted in subsequent period. Hence, we are unable to comment on the aforesaid advances and it is not practicable to quantify the financial effects of the same, if any, on the Consolidated Financial Statements.

(VI) (a) In regards to the payment towards software technical fees to its consultants, we have noted that the total payments made during the year amounted to the tune of Rs.5,825 lacs which is approximately 1.5 times the revenue from operations, however based on the informations and explanations provided by the management, the additional expenditure has been incurred due to rework of contracts as per the terms of agreement and applicable laws & regulations in the country where services are exported.

(b) In respect of the agreements entered with technical consultants, the deliverables of the consultants, their execution of the contract, their roles and responsibilities and their payment terms and conditions were not clearly defined and we have observed that KYC details were also not maintained properly. Hence, we are of the opinion that the internal controls relating to the same needs to be strengthened.

(VII) In respect of bad debts written off during the year amounting to Rs.198 lacs (approximately) with regards to export services, the documentary evidence demonstrating follow-up for recovery, legal action and other communication and board approvals were insufficient due to which, we are not able to form an opinion.

(VIII) In respect of recognition of revenue as per Ind As 115, the Organisation has to enter into contract with its customers, the parties to the contract must have approved the contract (in writing, orally or in accordance with customary business practices) and are committed to perform their respective obligations;

The Enforceability of the rights and obligations in a contract is a matter of law, contracts can be written, oral or implied by an entities customary business practices. The practices and processes for establishing contracts with customers vary across legal jurisdictions, industries and entities. In addition they may vary within an entity (for example they may depend on the class of customer or the nature of the promised goods or services).

We have been provided majority of contracts the organization has entered into during the year under audit for verification of compliance with Ind As 115 by the management, however few contracts are yet to be provided, therefore we have not been able to obtain sufficient appropriate audit evidence regarding the management compliance with Ind As 115 for the few contracts which are not provided, due to which we are unable to quantify its effects on the financial statements.

(IX) As a part of Corporate Insolvency Resolution Process (CIRP), Creditors were called upon to submit their claims. Till the date of our signing of the Consolidated Financial Statements, claims submitted by Creditors have not been reconciled with the books of accounts of the Company. Pending such reconciliation and final outcome of the CIRP, no accounting impact in

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the books of accounts has been made in respect of excess, short or non-receipts of claims for operational and Financial Creditors. Hence, it is not practicable to quantify the Financial Impact of the same, if any, on the Consolidated Financial Statements

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significant in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming of our Opinion. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

We draw attention to Note No 2.38. to the Consolidated Financial Statements which indicates that due to the events or conditions as mentioned in the said Note, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Consolidated Financial Statements have been prepared on a going concern basis.

Management's / Resolution Professional's Responsibility for the Financial Statements

In accordance with the Code, the Honorable National Company Law Tribunal, Hyderabad Bench I ("NCLT") on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the Committee of Creditors on 31 March 2023. However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP process, the powers of the Board of Directors were suspended and shall vest with the Resolution Professional ("RP") under the provisions of the Code.

The Company's Management / Resolution Professional is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the Consolidated financial statements, the resolution professional is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Resolution professional intends either to liquidate the company or cease operations, or has no realistic alternative but to do so.

The Board is professional is responsible for overseeing the Company's Financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence,

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and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors/ Resolution Professional are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a Statement on the Matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought, and except for the matters described in the Basis for Qualified Opinion section above, we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Due to the possible effects of the matter described in the Basis for Qualified Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company regarding those few matters discussed in the Basis for qualified Opinion section, with regards to all other matters the Company is maintaining proper Books of Accounts in our opinion.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) Due to the possible effects of the matters described in the Basis for Qualified Opinion section above, we are unable to state whether the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act for the matters described in the Basis for Qualified Opinion section, regarding all other matters the financial Statements of the Company is in Compliance with Ind AS as per Section 133 of the act.
 - e) The matters described in the Basis for Qualified Opinion section above in our opinion, may have adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors/ Resolution Professional, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
 - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses adverse opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provisions for long term contracts including derivative contracts for which there were any material foreseeable losses.

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Annexure 'A' to the Independent Auditor's Report

[Referred to in Paragraph (2)h under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date, to the Members of the Company on the Consolidated Financial Statements for the year ended 31st March, 2023]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of the Company as of 31st March, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board is responsible for establishing and maintaining Internal Financial Controls, based on the Internal Control with reference to Financial Statements criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records and the timely preparation of reliable Financial Information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statements and their Operating Effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining in understanding of Internal Financial Controls with reference to Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and Operating Effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Audit Opinion on the Company's Internal Financial Controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's Internal Financial Control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control with reference to Financial Statements includes those Policies and Procedures that (1) pertain to the maintenance

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of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that Receipts and Expenditures of the Company are being made only in accordance with authorisations of Management and Directors/Resolution Professional of the Company; and (3) provide reasonable assurance regarding prevention of timely detection of unauthorised acquisition, use or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the Inherent Limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or Improper Management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the Policies or Procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Operating Effectiveness of the Company's Internal Financial Control with reference to Financial Statements as at 31st March, 2023:

- a) Deficiencies in documentation in relation to Borrowings [fully described in point (V) under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Consolidated Financial Statements of the Company for the year ended 31st March, 2023];
- b) Ageing Analysis etc. Pertaining to Advances given for Supplies/Services [fully described in point (VI) under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Consolidated Financial Statements of the Company for the year ended 31st March, 2023];
- c) Omission to get Impairment Assessment done in respect of certain Tangible and Intangible Assets and in obtaining Fair Valuation of a Non-Current Investment, [fully described in point (I) respectively], under 'Basis for Qualified Opinion' section of our Independent Auditor's Report on the Consolidated Financial Statements of the Company for the year ended 31st March, 2023];
- d) Considering the nature of Company's business involving multiple operating locations and the risks involved, during our course of audit, we have not come across any Risk & Control Matrix, identifying major risks impacting on Consolidated Financial Statements of the Company and building an appropriate control framework to combat such risks. Hence, we are unable to comment on the accuracy and fairness of the numbers reported and disclosures made in Financial Statements.

A 'Material Weakness' is a deficiency, or a combination of deficiencies, in Internal Financial Controls with reference to Financial Statements, such that there is a reasonable possibility that a material misstatement of the Company's Annual or Interim Financial Statements will not be prevented or detected on a timely basis.

In our Opinion, the Company has, in all material respects, maintained adequate Internal Financial controls with reference to Financial Statements as of 31st March, 2023, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note issued by

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the ICAI, an except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's Internal Financial Controls with reference to Financial Statements were operating effectively as of 31st March, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our Audit of the Consolidated Financial Statements of the Company for the year ended 31st March, 2023, and these material weaknesses have affected our opinion on the Consolidated Financial Statements and we have issued a Qualified Opinion on the Consolidated Financial Statements of the Company.

Place: Hyderabad

Date: 10th August 2023.

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CARO-2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **BODHTREE CONSULTING LIMITED** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- ix.** In respect of the Company's Property, Plant and Equipment:
- (h) The Company has maintained records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. However certain recordings are under process.
 - (i) The Companies records showing full particulars of Intangible Assets, and Intangible Assets under Development has few shortfalls which are in the process of rectification as per the information's and explanation provided to us by the management.
 - (j) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant, and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (k) The Company doesn't own any immovable property, hence reporting under this Clause is not applicable.
 - (l) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued, nor obtained a Valuation Report by a Registered Valuer as defined under rule 2 of the Companies (Registered Valuers & Valuation) Rules, 2017. With respect to Property, Plant and Equipment.
 - (m) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- x. The Company is involved in providing Information Technology and IT Enabled Services, hence does not hold any physical inventory. Therefore reporting under this clause is Not Applicable.
- xi. (a) The Company has provided working capital loan in the nature short term loan to its 100% subsidiary Bodhtree Human Capital Private Limited during the year and certify the following in this regards.
- (b) The Company is not engaged in the business to give loans primarily. Hence clause (iii) (a) is applicable.

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During the year, the company has given loans to companies and other parties as per the following table.

| Particulars | Loans & Advances given to Subsidiaries, Joint Ventures and Associates | Loans & Advances given to parties other than Subsidiaries, Joint Ventures and Associates |
|--------------------------------------|---|--|
| Aggregate amount during the year | Rs.9,04,929.00/- | - |
| Balance Outstanding as at 31.03.2023 | Rs.26,60,715.00/- | - |

- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of such loans/advances or for providing any guarantee or security are not provided to us, therefore we are not able to express an opinion whether the same is prejudicial to the company or not.
- (d) According to information and explanations given to us and on the basis of our examination of the records of the Company, the schedule for payment of the principal and payment of interest on loans and advances relating to loan granted to its 100% Subsidiary Bodhtree Human Capital Pvt Ltd have not been provided to us.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, no amount is overdue for more than 90 days.
- (f) According to information and explanations given to us and on the basis of our examination of the records of the Company, no loan or advance in the nature of loan has fallen due during the year.
- (n) The Company has granted loan/ advance in nature of loan which is either repayable on demand or without specifying any terms or period of repayment. As per details mentioned below:

| Particulars | All Parties | Promoters | Related Parties |
|---|-------------|-----------|--------------------|
| Aggregate amount of Loans/Advances in nature of Loans | | | |
| C. Repayable on demand | - | - | - |
| D. Without any term/period of repayment | - | - | Rs. 26,60,715.00/- |
| Total (A+B) | | | Rs. 26,60,715.00/- |
| Percentage of Such Loans | 100% | - | 100% |

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- xii. The company has not advanced any loans, guarantees to directors of the company. Hence, this clause is not applicable to the company.
- xiii. The Company has not accepted any deposits or amounts which are deemed to be deposits in contravention to the provisions of Sec 73 to 76 of The Companies Act, 2013, The Companies (Acceptance of deposit rules, 2014), any other relevant provisions of The Companies Act, 2013, and directives issues by Reserve Bank of India. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court/ any other tribunal.
- xiv. As per information & explanation given by the management, The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.
- xv. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities, however during the year the company has undergone Corporate Insolvency Resolution process due to which the bank accounts of the Company have been freezed for a period of two months namely February and March, due to change of signing authorities, however once the bank accounts signing authority have been formally delegated to the Resolution professional appointed under the Insolvency and Bankruptcy code,2016 the statutory payments with respect to Employees Provident Fund and ESI, Professional tax have been duly paid for the two months where bank account has been freezed.
- (b)Accordingtotheinformationandexplanationsgiventous,therearenomaterialduesofincometax or salestaxorservicetaxorGoodsandServicesTaxordutyofcustomsordutyofexciseorvalueadded tax which have not been deposited by the company on account of dispute except as given below:

| S. No | Particulars | Amount (Rs.) |
|--------------|------------------------|--------------------|
| 1 | TDS Payable | 3,58,87,919 |
| 2 | Provident Fund Payable | 20,81,020 |
| 3 | ESI Payable | 5,207 |
| Total | | 3,79,74,146 |

- xvi. According to the information and explanations given to us and on the basis of our examination of the records, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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ix.

- a. The Company has not defaulted in repayment of loans or interest thereon to any lender. Interest free loans amounting to Rs. 4,39,40,130/- are repayable on demand. Such loans and interest thereon have not been demanded for repayment during the relevant financial year.
 - b. The Company has not been declared willful defaulter by any bank or financial institution or other lender nor received any show cause from any lender.
 - c. In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - d. On an overall examination of the financial statements, Company has not utilized short term fund for long term investments.
 - e. On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.
 - f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- y. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.

- xi. (a) According to information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year under audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not received any Whistle Blower complaint during the year.

- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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- xiii.** In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Consolidated financial statements as required by the applicable accounting standards.
- xiv.** (a) In our opinion the Company has an adequate Internal Audit System commensurate with the size and the nature of its business.
- (b) We have considered the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv.** According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with its directors during the year under audit and hence provisions of section 192 of The Companies Act, 2013 are not applicable to the company.
- xvi.** In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** The earlier Statutory Auditor of the Company has resigned during the year and we have been appraised of the issues/ objections and concerns raised by the outgoing auditor, there are no concerns of outgoing auditor beyond those stated in no objection certificate and resignation letter received by the outgoing auditor.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that the company is in a capacity to repay all its liabilities, during the year the company is undergoing Corporate Insolvency Resolution Process, the company has declared a loss of Rs.26,59,43,702/-, however as per the informations and explanations provided to us by the management the company is showing positive traits of business revivals and future work orders which indicates the financial position of the company will improve in the future.
- xx.** (a) Section 135 of the Companies Act, 2013, related to corporate social responsibility is applicable to company, however during the year the company has undergone Corporate Insolvency Resolution Process due to which it was not in a position to spend any amount towards corporate social responsibility as per the information and explanations given to us by the management.

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(b) There is no amount to be spent for other than ongoing projects towards corporate social responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the order is not applicable for the year.

(b) The Company does not have any ongoing projects relating to CSR. Hence, reporting under clause 3(xx)(b) of the order is not applicable.

- xxi. There have been no adverse remarks in the audit report related to the subsidiary of the company as per the audit reports.

For RSM & ASSOCIATES

Chartered Accountants,

Firm Reg No: 002813S

CA. E.Madhusudhana Reddy

Partner

Membership No: 202308

UDIN:

Place: Hyderabad

Date: 10.08.2023

Bodhtree Consulting Limited

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1. General Information

Bodhtree consulting Ltd (“the Holding company”) and its subsidiaries (together “the group”) are engaged in the IT and IT enabling services (ITES) provider. The company has business operations mainly in India and USA. The company is a public limited company incorporated And domicile in India and has its registered office at Mélange towers, Patrikanagar, Madhapur, Hitech city Hyderabad TG 500081 IN. The company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The principle accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In accordance with the Insolvency and Bankruptcy Code, the Honorable National Company Law Tribunal, Hyderabad Bench I (“NCLT”) on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the Committee of Creditors on 31 March 2023. However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP process, the power and responsibilities of the Board of Directors were suspended and shall vest with the Resolution Professional (“RP”) who is appointed by the Committee of Creditors.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation and presentation of Financial Statements

The financial statements of Bodhtree Consulting Ltd (“BCL” or “the company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon IND AS and Schedule III of Companies Act, 2013.

2.2 Basis of Measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- e. Derivative financial instruments are measured at fair value.
- f. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- g. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- h. Long-term borrowings are measured at amortized cost using the effective interest rate method.

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All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

2.8 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

f. Depreciation and amortization

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

g. Employee Benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

h. Provision and contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

i. Fair valuation

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.

j. Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupees.

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2.9 Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- e. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- f. It is held primarily for the purpose of being traded;
- g. It is expected to be realized within twelve months after the reporting date; or
- h. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- e. It is expected to be settled in the Company's normal operating cycle;
- f. It is held primarily for the purpose of being traded;
- g. It is due to be settled within twelve months after the reporting date; or
- h. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.10 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

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2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in

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subsidiaries and joint venture, the difference between netdisposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

2.11 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Directly attributable costs include:

- f. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- g. Cost of Site Preparation.
- h. Initial Delivery & Handling costs.
- i. Professional Fees and
- j. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any item produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on the Companies Act, 2013

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("Schedule II"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

| Type of Asset | Estimated useful life in years |
|-----------------------|--------------------------------|
| Audio & Video systems | 2 |
| Electrical items | 10 |
| AC'S/UPS/Stabilizers | 5 |
| Vehicles | 8 |
| Computers | 3 |
| Office Equipment | 5 |
| Furniture & Fixtures | 10 |

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

2.12 Intangible assets

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefit are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

| Type of Asset | Estimated useful life |
|-------------------|-----------------------|
| Intangible Assets | |

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| | |
|-------------------|---|
| Computer Software | 3 |
|-------------------|---|

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- c. The rights to receive cash flows from the asset have expired, or
- d. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As company trade receivables are realized within normal credit period adopted by the company, hence the company trade receivables are not impaired except for certain customers for which adequate provision has been made on the same.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

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The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

2.19 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year on March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.20 Cash & Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend

accounts. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash

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equivalents for the purpose of the statement of cash flows. The Margin money deposits, balance in dividend accounts which are not due and unclaimed dividend balances shall be disclosed as restricted cash balances.

2.21 Employee Benefits

f. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

g. Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

h. Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

i. Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

j. Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and

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previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

2.22 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.23 Revenue Recognition

Sale of goods and services

Revenue is recognized when the Company substantially satisfied its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Unbilled revenue represents amounts recognized based on services performed in advance of billings in accordance with contract terms and is net of estimated allowances for uncertainties and provision for estimated losses. Revenues from annual maintenance contracts are recognized pro-rata over the period of the contract in which the services are rendered.

Revenue from sale of licenses, hardware and other related items are recognized when the significant risk and rewards of ownership and title of the product is transferred to the buyer

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which generally coincides with acknowledgement of delivery. The value of sale is net of taxes.

Other Income

Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

2.24 Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing cost also include Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

2.25 Tax Expenses

Tax expense consists of current and deferred tax.

Income Tax

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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2.26 Earnings per Share

The Company presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment, if any.

| | Particulars | Amount in Rs. | |
|--|--|------------------------------|------------------------------|
| | | As At 31st March, 2023 | As At 31st March, 2022 |
| | Receivables considered good – Secured | - | - |
| | Receivables considered good –UnSecured | 64,71,31,369 | 1,02,05,44,709 |
| | Provision for Bad & Doubtful Debts | (54,78,305) | (12,55,46,726) |
| | Total | 64,16,53,064 | 89,49,97,983 |

2.27 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Fair value which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the company’s borrowings that floating rates of interest, their fair value approximates carrying value.

(b) Depreciation and amortization

Depreciation and amortization are based on management estimates of the future use full lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in the market conditions and other factors and may result in changes in the estimated useful life and may result in changes in the estimated useful life and the depreciation and amortization charges.

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(b) Employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an accrual basis using various assumptions. The assumptions used in determining the net cost/ (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(c) Trade receivables

The credit worthiness of Trade receivables and the credit terms set are determined on a case to case basis and the management has factored in the uncertainties arising out of Covid -19, as applicable. Based on other internal and external sources of information as determined by the management, the company expects to fully recover the carrying amount of trade receivables except from certain customers and the company had made the adequate provision on the same.

The fair value of Trade receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become over due

2.27 Auditors Remuneration

| Particulars | For the year ended 31 st March, 2023 | For the year ended 31 st March, 2022 |
|--|---|---|
| a) Audit fees | 8,00,000 | 13,32,497 |
| b) Other charges | - | - |
| Taxation matters | - | - |
| Certification fee | - | - |
| c) Reimbursement of out of pocket expenses | - | - |
| TOTAL | 8,00,000 | 13,32,497 |

2.28 Earnings per Share

| Particulars | For the year ended 31 st March, 2023 | For the year ended 31 st March, 2022 |
|---|---|---|
| Earnings | | |
| Profit attributable to equity holders | (26,59,43,701) | 72,24,279 |
| Shares | | |
| Number of shares at the beginning of the year | 1,99,58,236 | 1,99,58,236 |
| Add: Equity shares issued | - | - |
| Less: Buy back of equity shares | - | - |
| Total number of equity shares outstanding at the end of the year | 1,99,58,236 | 1,99,58,236 |
| Weighted average number of equity shares outstanding during the year - Basic | - | - |

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| | | |
|--|---------|------|
| Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS | - | - |
| Weighted average number of equity shares outstanding during the year - Diluted | - | - |
| Earnings per share of par value ` 2/- -Basic (`) | (13.33) | 0.36 |
| Earnings per share of par value ` 2/- - Diluted (`) | (13.33) | 0.36 |

2.18 Related Parties

| | |
|--|--|
| Subsidiary Company | Bodhtree Human Capital Pvt Limited |
| Key Management Personnel | Mr. Srinivas Rao Ravinathula (Resolution Professional) |
| | Mr. Santosh Kumar Vangapally (Whole time Director) |
| | Mrs. Pompa Mukherjee, Company Secretary |
| Enterprises controlled or significantly influenced by individual / relatives | Kepler Information Systems Pvt Ltd |
| | Skyline Ventures India Ltd |
| | Bodhtree Solutions Inc (Holding Company Upto 29/05/2016) |
| | Bodhtree technologies PTE Ltd |
| | Bodhtree Solutions Pte Limited (Fellow Subsidiary Upto 29/05/2016) |

The following is a summary of significant related party transactions:

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|---|--|--|
| Sales/Rendering services | | |
| Bodhtree consulting LLC | 26,90,06,601 | 77,62,42,925 |
| Kepler Information Systems Pvt Ltd | 3,24,31,828 | - |
| Bodhtree solutions PTE Ltd | - | - |
| Skyline ventures India Ltd | - | - |
| Cemetrix (IT)Services Pvt Ltd | - | - |
| | | |
| Purchases/availing Services | | |
| Kepler Information systems pvt Ltd | - | - |
| Bodhtree technologies PTE Ltd | - | - |
| Naskon soft solution pvt ltd | - | 9,44,53,481 |
| | | |
| | | |
| Remuneration to key Managerial Persons | | |
| L N Rama Krishna -Managing Director | - | 19,41,436 |
| Varsha Gupta | - | 3,17,227 |
| A S Nageshmar Rao | | 5,50,473 |
| Kotha Rajesh Gupta | | 91,245 |
| Kavitha Somavarapu | 3,94,911 | 1,79,721 |
| Pompa Mukherjee | 1,66,666 | |
| Loans Received/(Repaid) | | |

| | | |
|-------------------------------------|-------------|-------------|
| Kepler Information Systems Pvt Ltd | - | 2,92,135 |
| L N Rama Krishna –Managing Director | 4,39,40,130 | 1,10,59,709 |
| | | |
| Advances given/(taken) | | |
| Bodhtree Human capital pvt ltd | 26,60,715 | 12,88,248 |
| Naskon Soft Solution pvt ltd | - | 22,15,000 |
| | | |
| Directors sitting fees | | |
| Anil | | - |
| L N Ramakrishna | | - |
| Rajesh Katragadda | | - |
| Santosh Kumar Vangapally | 11,57,256 | 5,69,469 |
| Naveen Erva | | - |
| Subhashini P | | - |
| Pattabiraman | | - |
| | | |

2.29 Earnings/expenditure in foreign currency:

Expenditure in Foreign Currency:

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|-----------------------------|--|--|
| Purchase of Licenses | - | - |
| Travelling & Other expenses | - | - |
| Total | - | - |

Earnings in Foreign currency:-

| Particulars | For the year ended 31 st March 2023 | For the year ended 31 st March 2022 |
|----------------------|--|--|
| FOB Value of Exports | 53,25,38,195 | 82,52,91,277 |
| Total | 53,25,38,195 | 82,52,91,277 |

2.30 Segment Reporting:

The Company concluded that there is only one operating segment i.e., IT and IT Enabling Services. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

2.31 Employee benefits:

Gratuity benefits

In accordance with applicable laws, the Company has a defined benefit plan which provides for gratuity payments (the "Gratuity Plan") and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Life Insurance Corporation of India (LIC).

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2023 and 2022 consist of the following:

| Particulars | For the Years ended 31 st March | |
|---|--|-----------------|
| | 2023 | 2022 |
| Current service cost | 61,341 | 1,52,917 |
| Interest on net defined benefit liability/(asset) | 26,812 | 74,603 |
| Gratuity cost recognized in statement of profit and loss | 88,153 | 2,27,520 |

Details of the employee benefits obligations and plan assets are provided below:

| Particulars | As of 31 st March | |
|---|------------------------------|------------------|
| | 2023 | 2022 |
| Present value of funded obligations | - | - |
| Fair value of plan assets | - | - |
| Net defined benefit liability / (asset) recognized | 3,40,547 | 41,02,972 |

Details of changes in the present value of defined benefit obligations are as follows:

| Particulars | As of 31 st March | |
|--|------------------------------|------------------|
| | 2023 | 2022 |
| Defined benefit obligations at the beginning of the year | 4,71,571 | 54,23,488 |
| Current service cost | 61,341 | 1,52,917 |
| Interest on defined obligations | 26,812 | 74,603 |
| Re-measurements due to: | | |
| Actuarial loss/(gain) due to change in financial assumptions | -7,460 | -20,299 |
| Actuarial loss/(gain) due to demographic assumptions | - | - |
| Actuarial loss/(gain) due to experience changes | -815 | 4,79,436 |
| Benefits paid | -2,11,242 | - |
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | - | - |
| Defined benefit obligations at the end of the year | 3,40,547 | 29,62,776 |

Details of changes in the fair value of plan assets are as follows:

| Particulars | As of 31 st March | |
|--|------------------------------|----------|
| | 2023 | 2022 |
| Fair value of plan assets at the beginning of the year | - | - |
| Employer contributions | - | - |
| Actuarial loss/(gain) on plan assets | - | - |
| Re-measurements due to: | | |
| Return on plan assets excluding interest on plan assets | | |
| Benefits paid | - | - |
| Other (Employee Contribution, Taxes, Expenses, adj to Opening Balance) | - | - |
| Plan assets at the end of the year | - | - |

Summary of Actuarial Assumptions

The actuarial assumptions used in accounting for the Gratuity Plan are as follows: The assumptions used to determine benefit obligations:

| Particulars | As of 31 st March | |
|-------------------------------|------------------------------|-------|
| | 2023 | 2022 |
| Discount rate | 7.50% | 7.33% |
| Rate of compensation increase | 0.00% | 0.00% |

Leave Encashment

The Company provides for accumulation of compensated absences for certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

Contribution to Provident Fund

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

2.32 Income Taxes:

Income tax expense/ (benefit) recognized in the statement of profit and loss:

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

| Particulars | For the Year Ended 31 st March | |
|-----------------------|---|------|
| | 2023 | 2022 |
| Current taxes expense | | |

| | | |
|--|------------------|--------------------|
| Domestic | 0 | 90,17,294 |
| Deferred taxes expense/(benefit) | 21,17,624 | (1,17,65,324) |
| Total income tax expense/(benefit) recognized in the statement of profit and loss | 21,17,624 | (27,48,030) |

b) Reconciliation of Effective tax rate

| Particulars | For the Year Ended 31 st March | |
|--|---|------------------|
| | 2023 | 2022 |
| Profit before income taxes | (26,39,37,547) | 39,65,014 |
| Enacted tax rate in India | 25.168% | 25.168% |
| Computed expected tax benefit/(expense) | (6,64,27,802) | 9,97,994 |

| Effect of: | | |
|--|---------------|------------------|
| Expenses not deductible for Tax purposes | 79,97,768 | 4,72,41,790 |
| Expenses deductible for Tax purposes | (1,24,11,119) | (1,58,92,476) |
| Taxable at Special Rate | - | - |
| Exempted income form SEZ | - | - |
| Reversal of excess provision created in previous years | - | - |
| Income tax benefit/(expense) | - | 90,17,294 |
| Effective tax rate | - | 201% |

The Company's average effective tax rate for the years ended March 31, 2023 and 2022 were 0% and 201%, respectively.

b) Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | For the Year Ended 31 st March | |
|--|---|------------------|
| | 2023 | 2022 |
| Deferred tax assets/(liabilities): | | |
| Property, plant and equipment | 78,20,324 | 98,13,373 |
| Others | (2,59,503) | (97,434) |
| Net deferred tax assets/(liabilities) | 75,60,821 | 97,15,939 |

2.33 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market

conditions and the Company's activities. The Board of Directors, Risk Management Committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

b. Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

The table provides details regarding the contractual maturities of significant financial liabilities as on 31 March 2023 and 31 March 2022.

As on 31 March 2023

| Particulars | 1Year | 1-5Years | >5Years | Total |
|-----------------------------|--------------|-----------------|-------------------|--------------|
| Assets | | | | |
| Trade receivables | 62,72,63,085 | | | |
| Cash and cash equivalents | 1,28,71,910 | | | |
| Other bank balances | 3,19,92,457 | | | |
| Loans and advances | 38,02,305 | | | |
| Other financial assets | 2,31,15,140 | | | |
| Liabilities | | | | |
| Trade payables | 41,81,73,932 | | | |
| Long term borrowings | 4,42,65,130 | | | |
| Short term borrowings | 8,06,19,094 | | | |
| Other financial liabilities | 90,44,422 | | | |

As on 31 March 2022

| Particulars | 1 Year | 1-5 Years | >5Years | Total |
|-----------------------------|--------------|-----------|---------|--------------|
| Assets | | | | |
| Trade receivables | 89,49,96,378 | - | - | 89,49,96,378 |
| Cash and cash equivalents | 9,80,966 | - | - | 9,80,966 |
| Bank balances | 3,07,78,599 | - | - | 3,07,78,599 |
| Loans and advances | 38,02,305 | - | - | 38,02,305 |
| Other financial assets | 1,12,22,340 | - | - | 1,12,22,340 |
| Liabilities | | | | |
| Trade payables | 35,51,70,569 | - | - | 35,51,70,569 |
| Long term borrowings | 1,65,39,852 | - | - | 1,65,39,852 |
| Short term borrowings | 15,87,16,420 | - | - | 15,87,16,420 |
| Other financial liabilities | 90,44,422 | - | - | 90,44,422 |

2.34 Financial Instrument:

The carrying value and fair value of financial instruments as at 31 March 2023 and 31 March 2022 were as follows:

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | |
|---------------------------|----------------------|-------------------------------------|-----------------------|-------------------------------------|
| | Total carrying value | Total fair value/ amortised cost | Total carrying value | Total fair value/ amortised cost |
| Financial assets | | | | |
| Cash and cash equivalents | 1,28,71,910 | 1,28,71,910 | 3,17,59,565 | 3,17,59,565 |
| Other bank balances | 3,19,92,457 | 3,19,92,457 | - | - |
| Investments | 81,55,630 | 81,55,630 | 1,31,35,630 | 1,31,35,630 |
| Trade receivables | 62,72,63,085 | 62,72,63,085 | 1,02,05,43,104 | 1,02,05,43,104 |
| Loans | 64,63,020 | 64,63,020 | - | - |
| Other financial assets | 2,31,15,140 | 2,31,15,140 | 1,12,22,340 | 1,12,22,340 |
| Total | 70,98,46,951 | 70,98,46,951 | 1,17,66,60,639 | 1,17,66,60,639 |

| Financial liabilities | | | | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Trade payables | 41,81,73,932 | 41,81,25,645 | 35,51,70,569 | 35,51,70,569 |
| Long-term borrowings | 4,42,65,130 | 4,42,65,130 | 1,65,39,852 | 1,65,39,852 |
| Short-term borrowings | 8,06,19,094 | 8,06,19,094 | 15,87,16,420 | 15,87,16,420 |
| Lease Liabilities | - | - | - | - |
| Other financial liabilities | 1,02,36,246 | 1,02,36,246 | 1,25,60,247 | 1,25,60,247 |
| Total | 55,32,94,403 | 55,32,94,403 | 54,29,87,088 | 54,29,87,088 |

2.35 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. Due to lack of profit during the year and uncertainty due to insolvency no amount was spent during the year towards CSR.

Capital Management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

| Particulars | 2023 | 2022 |
|--------------------------|---------------|---------------|
| Total Debt | 75,24,67,223 | 73,61,52,964 |
| Total Equity | 41,92,91,993 | 68,18,05,152 |
| Debt Equity Ratio | 1.79:1 | 1.07:1 |

2.36 Contingent Liabilities and Commitments:

The following are the details of contingent liabilities and commitments:

| Particulars | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| Contingent Liabilities | | |
| Guarantees | | |
| Bank Guarantee | 6,48,07,500 | - |
| | | |

2.36 Ratio analysis

| Ratio | Numerator | Denominator | As at 31 March 2023 | As at 31 March 2022 | Variance (in %) |
|---|------------------------------------|-----------------------------------|---------------------|---------------------|-----------------|
| Current ratio (no of times) | Current Assets | Current Liabilities | 1.24 | 1.55 | (20.00) |
| Debt- Equity Ratio (no of times) | Total Debt | Shareholder's Equity | 1.81 | 1.08 | 67.59 |
| Debt Service Coverage ratio (no of times) | Earnings for debt service | Debt service | (19.22) | 2.55 | (853.73) |
| Return on Equity ratio (%) | Net Profits after taxes | Average Shareholder's Equity | (48.5) | 1.07 | (4632.71) |
| Inventory Turnover ratio (no of times) | Cost of goods sold | Average Inventory | - | - | - |
| Trade Receivable Turnover Ratio (no of times) | Revenue | Average Trade Receivable | 0.52 | 1.2 | (56.67) |
| Trade Payable Turnover Ratio (no of times) | Net credit purchases | Average Trade Payables | 1.51 | 2.15 | (29.77) |
| Net Capital Turnover Ratio (no of times) | Revenue | Working capital | 2.5 | 2.67 | (6.37) |
| Net Profit ratio (%) | Net Profit | Revenue | (61.37) | 0.68 | (9125.00) |
| Return on Capital Employed (%) | Earnings before interest and taxes | Capital Employed | (53.75) | 1.53 | (3613.07) |
| Return on Investment (%) | Income generated from investments | Time weighted average investments | 0.07 | 0.05 | 40.00 |

2.39 Other statutory information:

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

- k. The Company does not have any transactions with struck off companies.
- l. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- m. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- n. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - iii. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - iv. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- o. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - iii. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - iv. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- p. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- q. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- r. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- s. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- t. The Company does not have any borrowings from banks or financial institutions against security of its current assets.

2.40 Other Relevant Information

The Company has incurred a net loss of Rs (26,25,13,165)/- during the year ended 31 March 2023 and, as of that date, this indicates existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going-concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business, however management is of the opinion that company will revive by December 2023.

Subsequent to a petition filed by operational creditor in year end , in accordance with the Code, the Honorable National Company Law Tribunal, Hyderabad Bench I ("NCLT") on 20 February 2023 admitted Corporate Insolvency Resolution Process application against the Company and appointed an Interim Resolution Professional. Subsequently, Resolution Professional was appointed by the Committee of Creditors on 31 March 2023. However, the Committee of Creditors have expressed dissatisfaction on the working of Resolution Professional thereby replacing the resolution professional following due process and through NCLT order. In view of the pendency of the CIRP

process, the power and responsibilities of the Board of Directors were suspended and shall vest with the Resolution Professional (“RP”) under the provisions of the Code.

In accordance with the CIRP, the IRP had published brief particulars of invitation for expression of Interest from prospective Resolution applicants to submit resolution plan and invited Resolution Plans therefore. The IRP has received responses from certain parties who have submitted their respective resolution plans and the same will now be examined by the RP. Thereafter, the Resolution plans will be submitted to COC for their approval. The plan, as approved by the COC shall be submitted to NCLT for approval in accordance with section 20 of the Code. The RP is taking necessary action as required under the said section to keep the Company as going concern. In view of the above, these Financial Statements have been prepared on going concern basis.

| BODHTREE CONSULTING LIMITED | | | |
|--|----------|--|---------------------------|
| Level 2, Wing B, Melange Towers, Patrikanagar, Madhapur, Hyderabad | | | |
| CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023 | | | |
| Particulars | Note No. | As At 31st March, 2023 | As At 31st March, 2022 |
| I. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | | 9,287,488 | 13,780,256 |
| (b) Intangible Assets | 4 | 16,160,277 | 16,160,277 |
| (c) Intangible Asset Under Development | | 258,336,709 | 258,336,709 |
| | | 283,784,474 | 288,277,242 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | 1,045,000 | 975,000 |
| (e) Deferred Tax Asset | 6 | 7,560,821 | 9,715,939 |
| | | 292,390,297 | 298,968,182 |
| (2) Current Assets | | | |
| Inventories | | - | 3,272,553 |
| (a) Financial Assets | | | |
| (i) Trade receivables | 7 | 627,263,085 | 894,997,983 |
| (ii) Cash and cash equivalents | 8 | 12,871,910 | 993,652 |
| (iii) Bank balances other than (ii) above | 9 | 31,992,457 | 30,778,599 |
| (iv) Loans and advances | 10 | 3,802,305 | 3,802,305 |
| (v) Other Financial Assets | 11 | 23,115,140 | 11,222,340 |
| (b) Current Tax Assets (Net) | 12 | - | - |
| (c) Other Current Assets | | 176,968,350 | 176,472,017 |
| | | 876,013,247 | 1,121,539,450 |
| | | | |
| Total Assets | | 1,168,403,544 | 1,420,507,632 |
| II. EQUITY AND LIABILITIES:- | | | |
| EQUITY | | | |
| (a) Equity Share Capital | 13 | 199,582,360 | 199,582,360 |
| (b) Other Equity | 14 | 216,001,793 | 481,945,489 |
| | | 415,584,153 | 681,527,849 |
| LIABILITIES | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 44,265,130 | 16,539,852 |
| (b) Provisions | 16 | 460,920 | 99,071 |
| | | 44,726,050 | 16,638,923 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 80,619,094 | 158,716,420 |
| (ii) Trade Payables | 18 | 418,173,932 | 355,253,919 |
| (iii) Other Financial Liabilities | 19 | 10,236,246 | 14,316,033 |
| (b) Other Current Liabilities | 20 | 198,949,332 | 193,394,147 |
| (c) Provisions | 21 | 114,734 | 660,340 |
| (d) Current Tax Liability | | - | - |
| | | 708,093,339 | 722,340,859 |
| | | | |
| Total Equity & Liabilities | | 1,168,403,544 | 1,420,507,632 |
| As per our Report of even date For RSM & Associates, Chartered Accountants FRN :- 002813S | | For and on Behalf of Board of Directors | |
| CA. E.Madhusudhana Reddy Partner Membership No : 202308 UDIN : 23202308BGRFNK2973 | | SREENIVASA RAO RAVINUTHALA Resolution professional | |
| SANTOSH KUMAR VANGAPALLY DIN 09331903 Whole Time Director | | Pompa Mukherjee Company Secretary | |
| Place : Hyderabad Date: 03-08-2023 | | | |

BODHTREE CONSULTING LIMITED

Level 2, Wing B, Melange Towers, Patrikanagar, Madhapur, Hyderabad

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED MARCH 31, 2023

| Particulars | Note No. | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|----------|--------------------------------|--------------------------------|
| <u>Income:</u> | | | |
| Revenue from operations | 22 | 393,399,136 | 1,041,904,169 |
| Other Income | 23 | 34,506,441 | 20,961,657 |
| Total Revenue - (A) | | 427,905,576 | 1,062,865,826 |
| <u>Expenses:</u> | | | |
| Change in Inventory | 28 | 3,272,553 | - |
| Work Execution expenses | 24 | 583,653,242 | 833,872,653 |
| Employee Benefits Expense | 25 | 13,150,352 | 22,358,028 |
| Finance Costs | 26 | 11,144,435 | 11,100,172 |
| Depreciation and Amortization Expenses | 4 | 4,492,768 | 47,241,790 |
| Other Expenses | 27 | 76,129,774 | 144,328,168 |
| Total Expenses - (B) | | 691,843,123 | 1,058,900,812 |
| Profit before exceptional items and tax - (A) -(B) | | (263,937,547) | 3,965,014 |
| Profit Before Tax | | (263,937,547) | 3,965,014 |
| <u>Tax expense:</u> | | | |
| (a) Current Tax | | - | 9,017,294 |
| (c) Deferred Tax - Liability / (Asset) | | 2,117,624 | -11,765,324 |
| Profit/(Loss) for the Year | | (266,055,171) | 6,713,044 |
| Other Comprehensive Income | | | |
| <u>A. Items that will not be reclassified to profit or loss</u> | | | |
| Remeasurements of post employment benefit | | 148,964 | (388,186) |
| Income tax on these item | | (37,494) | 97,706 |
| Total Other Comprehensive income for the period | | 111,470 | (290,480) |
| Total Comprehensive income and P&L for the period | | (265,943,701) | 6,422,564 |

As per our Report of even date

For RSM & Associates, Chartered Accountants

FRN :- 002813S

CA. E.Madhusudhana Reddy

Partner

Membership No : 202308

UDIN : 23202308BGRFNK2973

Place : Hyderabad

Date: 03-08-2023

For and on Behalf of Board of Directors

SREENIVASA RAO RAVINUTHALA

Resolution professional

**SANTOSH KUMAR
VANGAPALLY**

DIN 09331903
Whole Time Director

Pompa Mukherjee

Company Secretary

| CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2023 | | |
|---|----------------------|----------------------|
| Particulars | 31.03.2023 | 31.03.2022 |
| Cash Flows from Operating Activities | | |
| Net profit before tax | (263,937,547) | 3,965,014 |
| Other Comprehensive Income | 148,969 | |
| Adjustments for : | | |
| Fair value difference of financial Instruments | (70,000) | (475,000) |
| Depreciation | 4,492,768 | 47,241,790 |
| Finance Costs | 11,144,435 | 11,100,172 |
| Interest received | (1,376,304) | (1,428,706) |
| Unrealised exchange loss /(profit) | (33,130,137) | (19,532,951) |
| Loss/ (Profit) on Sale of Asset | - | 382,570 |
| Loss/ (Profit) on Sale of Investment | - | - |
| Operating profit before working capital changes | (282,727,816) | 41,252,889 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Trade Receivables | 300,865,035 | (36,154,267) |
| (Increase)/Decrease in Other financial assets | (11,892,800) | (8,000,000) |
| (Increase)/Decrease in Other Current Assets | 2,804,300 | 20,386,328 |
| (Increase)/Decrease in Short Term Loan and Advances | (2,660,715) | (2,017,330) |
| Increase/(Decrease) in Trade Payables | 62,920,013 | (65,592,940) |
| Increase/(Decrease) in Other financial liabilities | (1,419,072) | (343,646) |
| Increase/(Decrease) in Other Current liabilities | 5,541,745 | 15,061,369 |
| Increase/(Decrease) in Provisions | (185,711) | (1,355,339) |
| Changes in Working Capital | 355,972,795 | (78,015,825) |
| Cash generated from operations | 73,244,979 | (36,762,937) |
| Direct Taxes Paid net of refunds | - | (1,080,281) |
| Net Cash from operating activities (A) | 73,244,979 | (37,843,218) |
| Cash flows from Investing Activities | | |
| Purchase of Fixed Assets | - | (382,570) |
| Product Development Cost | - | - |
| Sale of Asset | - | - |
| Receipt of Interest | 1,376,304 | 1,428,706 |
| (Purchase)/Sale of Investment | - | - |
| Net Cash used in Investing Activities (B) | 1,376,304 | 1,046,136 |
| Cash flows from Financing Activities | | |
| Repayment/(Proceeds) of/from Short-term borrowings | - | - |
| Repayment/(Proceeds) of/from Long-term borrowings | 27,725,278 | (29,030,581) |
| Finance cost | (11,144,435) | (11,100,172) |
| Net Cash used in Financing Activities (C) | 16,580,843 | (40,130,753) |
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 91,202,126 | (76,927,834) |
| Cash and Cash equivalents at the beginning of the year | (126,956,854) | (50,029,020) |
| Cash and Cash equivalents at the ending of the year | (35,754,728) | (126,956,854) |

1) Cash and Cash equivalents includes:

| Particulars | 31.03.2023 | 31.03.2022 |
|-----------------------------------|---------------------|----------------------|
| Cash on hand | - | 135,192 |
| Cash Equivalents | | |
| - Current accounts | 12,871,910 | 845,774 |
| Margin money deposits | 31,992,457 | 30,778,599 |
| Shoret Term Borrowings From Banks | (80,619,094) | (158,716,420) |
| | - | |
| | (35,754,727) | (126,956,854) |

As per our Report of even date

For RSM & Associates, Chartered Accountants
FRN :- 002813S

CA. E.Madhusudhana Reddy
Partner
Membership No : 202308

UDIN : 23202308BGRFNK2973
Place : Hyderabad
For RSM & Associates, Chartered Accountants

For and on Behalf of Board of Directors

SREENIVASA RAO RAVINUTHALA
Resolution professional

SANTOSH KUMAR
VANGAPALLY

DIN 09331903 **Pompa Mukherjee**
Whole Time Director **Company Secretary**

BODHTREE CONSULTING LIMITED**Consolidated Statement of Changes in Equity for the year ended March 31, 2023****a. Equity Share Capital**

Amount In Rs.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the reporting period | 199,582,360 | 199,582,360 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the reporting period | 199,582,360 | 199,582,360 |

b. Other Equity**Statement of Changes in Equity**

| Particulars | Securities Premium | Other Reserves | Retaining Earnings | Total |
|---|--------------------|------------------|--------------------|--------------------|
| Balance as at April 01, 2022 | 137,334,650 | 5,000,000 | 339,610,837 | 481,945,487 |
| Addition / (deletion) during the year / Period | - | - | - | - |
| Profit / (Loss) for the year | - | - | (266,055,171) | (266,055,171) |
| Other comprehensive income for the year | - | - | 111,470 | 111,470 |
| Total comprehensive income for the year | - | - | (265,943,693) | (265,943,693) |
| Balance as at March 31, 2023 | 137,334,650 | 5,000,000 | 73,667,144 | 216,001,794 |

| Particulars | Securities Premium | Other Reserves | Retaining Earnings | Total |
|---|--------------------|------------------|--------------------|--------------------|
| Balance as at April 01, 2021 | 137,334,650 | 5,000,000 | 333,161,273 | 475,495,923 |
| Addition / (deletion) during the year / Period | - | - | 27,000 | 27,000 |
| Profit / (Loss) for the year | - | - | 6,713,044 | 6,713,044 |
| Other comprehensive income for the year | - | - | (290,480) | (290,480) |
| Total comprehensive income for the year | - | - | 6,449,564 | 6,449,564 |
| Dividend and Dividend Tax paid | - | - | - | - |
| Balance as at March 31, 2022 | 137,334,650 | 5,000,000 | 339,610,837 | 481,945,487 |

As per our Report of even date

For RSM & Associates, Chartered Accountants**CA. E.Madhusudhana Reddy**
Partner

UDIN : 23202308BGRFNK2973

Place : Hyderabad

For RSM & Associates, Chartered Accountants

For and on Behalf of Board of

SREENIVASA RAO RAVINUTHALA
Resolution professional**SANTOSH KUMAR VANGAPALLY**

DIN 09331903

Whole Time Director

Pompa Mukherjee
Company

Note : 4 Fixes Assets

| S.No | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | Net Block | |
|------------|--|--------------------|-----------|-----------|--------------------|--------------------|------------------|-----------|--------------------|--------------------|--------------------|
| | | As at 01.04.2022 | Additions | Deletions | As at 31.03.2023 | As at 01-04-2022 | Additions | Deletions | As at 31.03.2023 | As at 31.03.2023 | As at 31.03.2022 |
| I | Tangible Assets | | | | | | | | | | |
| 1 | Computer - Hardware | 51,346,535 | - | - | 51,346,535 | 51,037,164 | 30,724 | - | 51,067,888 | 278,647 | 309,371 |
| 2 | AC's/UPS/Stabilisers | 7,547,062 | - | - | 7,547,062 | 7,180,836 | 12,812 | - | 7,193,648 | 353,414 | 366,226 |
| 3 | Electrical Items | 4,825,101 | - | - | 4,825,101 | 3,601,876 | 410,633 | - | 4,012,509 | 812,592 | 1,223,225 |
| 4 | Office Equipment | 17,269,833 | - | - | 17,269,833 | 16,342,464 | 329,645 | - | 16,672,109 | 597,724 | 927,369 |
| 5 | Audio & Video Systems | 211,250 | - | - | 211,250 | 203,834 | 2,771 | - | 206,605 | 4,645 | 7,416 |
| 6 | Furniture & Fixtures | 16,176,732 | - | - | 16,176,732 | 13,349,419 | 1,082,847 | - | 14,432,266 | 1,744,466 | 2,827,313 |
| 7 | Vehicles | 33,985,629 | - | - | 33,985,629 | 25,866,293 | 2,623,336 | - | 28,489,629 | 5,496,000 | 8,119,336 |
| | | 131,362,142 | - | - | 131,362,142 | 117,581,886 | 4,492,768 | - | 122,074,654 | 9,287,488 | 13,780,256 |
| I | Intangible Assets | | | | | | | | | | |
| 1 | Intangible Assets(Midas & GST Project) | 227,439,129 | - | - | 227,439,129 | 217,652,152 | - | - | 217,652,152 | 9,786,977 | 9,786,977 |
| 2 | Computer - Software | 15,758,073 | - | - | 15,758,073 | 15,758,073 | - | - | 15,758,073 | -0 | - |
| | | 243,197,202 | - | - | 243,197,202 | 233,410,225 | - | - | 233,410,225 | 9,786,977 | 9,786,977 |
| | Total | 374,559,344 | - | - | 374,559,344 | 350,992,111 | 4,492,768 | - | 355,484,879 | 19,074,465 | 23,567,233 |
| III | Intangible Assets Under Development | 258,336,709 | | - | 258,336,709 | - | - | - | - | 258,336,709 | 258,336,709 |

BODHTREE CONSULTING LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet

| Note : 5 Investments | | Amount in Rs. | |
|-----------------------------|---|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | <u>Investments in Associates</u> Learnsmart India Private Limited 505,000 Equity shares of Rs.10 each | 5,050,000 | 5,050,000 |
| | Pressmart Media Limited 5,257,924 Equity shares of Rs.10 each | - | - |
| | <u>Quoted</u> Hypersoft Technologies Limited 100,000 (31st Mar'18 : 100,000,) Equity Shares of Rs.10 each | 1,045,000 | 975,000 |
| | Less: Provision for diminution in value of investments | (5,050,000) | (5,050,000) |
| | Total | 1,045,000 | 975,000 |

| Note : 6 Deferred Tax Asset / (Liabilities) | | Amount in Rs. | |
|--|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | On account of depreciation | 7,820,324 | 9,813,373 |
| | On account of provisions, tax losses and investments | (259,503) | (97,434) |
| | Total | 7,560,821 | 9,715,939 |

| Note : 7 Trade Receivables | | Amount in Rs. | |
|-----------------------------------|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) Trade Receivables | 632,741,390 | 1,020,543,104 |
| | Less: Provision for bad and doubtful debts | (5,478,305) | (125,546,726) |
| | Total | 627,263,085 | 894,996,378 |

| Note : 8 Cash & Cash Equivalens | | Amount in Rs. | |
|--|---|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Cash on Hand | - | 135,192 |
| | Balances with Banks | | |
| | -In Current Accounts with Banks | 12,871,910 | 845,774 |
| | Sub Total (A) | 12,871,910 | 980,966 |
| | <u>Bank balances other than above</u> | | |
| | In Deposit a/c - Held as Security for the Loan and Margin Money against Bank Guarantee | 31,992,457 | 30,778,599 |
| | Sub Total (B) | 31,992,457 | 30,778,599 |
| | Total [A + B] | 44,864,367 | 31,759,566 |

| Note : 9 Loans and Advances | | Amount in Rs. | |
|------------------------------------|--------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | | - | - |
| | | - | - |
| | Deposits | 3,802,305 | 3,802,305 |
| | Total | 3,802,305 | 3,802,305 |

| Note : 10 Other Financial Assets | | Amount in Rs. | |
|---|------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Security Deposits | 23,115,140 | 11,222,340 |
| | Total | 23,115,140 | 11,222,340 |

| Note : 11 Current Tax Assets (Net) | | Amount in Rs. | |
|---|--------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Advance Tax (Net) | - | - |
| | Total | - | - |

| Note : 12 Other Current Assets | | Amount in Rs. | |
|---------------------------------------|------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | (Unsecured, Considered Good) | | |
| | Advance to Suppliers | 16,193,584 | 16,193,584 |
| | Work in progress | - | - |
| | Prepaid Expenses | 673,389 | 463,545 |
| | Unbilled Revenue | - | - |
| | Others | 160,101,377 | 159,814,888 |
| | Total | 176,968,350 | 176,472,017 |

BODHTREE CONSULTING LIMITED
Notes Forming Integral Part of the Consolidated Balance Sheet

| Note : 13 Equity Share Capital | | | | Amount in Rs. | |
|--|---------------------------------|----------|---------------------------------|---------------------------|---------------------------|
| Particulars | | | | As At 31st March, 2023 | As At 31st March, 2022 |
| <u>AUTHORIZED CAPITAL</u> | | | | | |
| 3,10,00,000 Equity Shares of Rs. 10/- each | | | | 310,000,000 | 310,000,000 |
| | | | | 310,000,000 | 310,000,000 |
| <u>ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL</u> | | | | | |
| 1,99,58,236 Equity Shares of Rs. 10/- each with Voting Right | | | | 199,582,360 | 199,582,360 |
| <u>Equity Shares of Rs.10/- each:</u> | | | | | |
| Shares held by holding / ultimate holding company and / or their subsidiaries / associates and details of the shareholding more than 5% shares in the company | | | | | |
| Name of Shareholder | 2021-22 No.of shares | % | 2020-21 No.of shares | % | |
| 1.Bodhtree Solutions Inc | 80,00,000 | 40.08 | | | |
| 80,00,000 | | 40.08 | | | |
| 2.Premeya World Wide Pte Ltd* | 19,12,069 | 9.58 | 19,12,069 | 9.58 | |
| *19,12,069 equity shares were allotted to M/s Premeya World Wide Pte Ltd on 26th April, 2017 on conversion of CCPS for which listing approval from BSE was obtained on 30th May, 2017. However, said equity shares are not yet credited to Beneficiary account of said allottee as the | | | | | |
| Reconciliation of Shares | | | | | |
| 2021-22 | | | | | |
| Opening Equity Shares | | | | 1,99,58,236 | |
| 1,99,58,236 | | | | | |
| Add: Shares Issued during the year | | | | - | |
| - | | | | | |
| Closing Equity Shares | | | | 1,99,58,236 | |
| 1,99,58,236 | | | | | |
| | | | | 199,582,360 | 199,582,360 |
| <u>Details of Shares Issued for Consideration Other than Cash:-</u> | | | | | |
| 91,00,000 Equity shares of Rs. 10/- were issued on 09th November, 2011 to the shareholders of erstwhile ACP Limited in consideration for the merger with the company as per the order of AP High Court dated 14th August, 2011. | | | | - | - |
| Total | | | | 199,582,360 | 199,582,360 |

Rights, Preferences and Restrictions attached to Shares:

Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

| Note : 14 Other Equity | | Amount in Rs. | |
|-------------------------------|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Securities Premium | | |
| | Opening balance | 137,334,650 | 137,334,650 |
| | | 137,334,650 | 137,334,650 |
| | General Reserve | 5,000,000 | 5,000,000 |
| | | 5,000,000 | 5,000,000 |
| | Surplus / (Deficit) in Statement of Profit and Loss | | |
| | Balance at the beginning of the year | 339,888,149 | 332,927,342 |
| | Less: Dividend Paid | - | - |
| | Less: Dividend Distribution Tax | - | - |
| | Add: Directly effected in OCI | 111,470 | (290,480) |
| | Add: Profit / (Loss) for the year | (266,332,475) | 7,224,279 |
| | Add: Previous year's reserves balance not adjusted | - | 27,000 |
| | | 73,667,143 | 339,888,143 |
| | Total | 216,001,793 | 482,222,793 |

| Note : 15 Borrowings (Non-Current) | | Amount in Rs. | |
|---|--|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Secured Loans | | |
| | - From Banks | | |
| | Vehicle Loans | 1,191,824 | 2,788,372 |
| | Less: Current Maturities of Long term Debt | (1,191,824) | (1,596,596) |
| | Term Loan | - | 1,919,229 |
| | Less: Current Maturities of Long term Debt | - | (1,919,229) |
| | | - | 1,191,776 |
| | - From Others | | |
| | Less: Current Maturities of Long term Debt | - | - |
| | | - | - |
| | Total Secured Loans | - | 1,191,776 |
| | Unsecured Loans | | |
| | - From Others | | 15,348,076 |
| | Ramakrishna L N Loan A/c | 43,940,130 | - |
| | Less: Current Maturities of Long term Debt | - | - |
| | BCL Employees Benefit Trust | 325,000 | - |
| | Less: Current Maturities of Long term Debt | - | - |
| | Total Unsecured Loans | 44,265,130 | 15,348,076 |
| | Total | 44,265,130 | 16,539,852 |

Note:

1. Vehicle loans from banks are secured by the hypothecation of vehicles
2. Term loan from HDFC bank are payable in 48 installments starting from 07.01.2018

| Note : 16 Provisions(Non-Current) | | Amount in Rs. | |
|--|---------------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Provision for Employee Benefit | | |
| | Gratuity | 358,172 | - |
| | Compensated Absences | 102,748 | - |
| | Total | 460,920 | - |

| Note : 17 Borrowings (Current) | | Amount in Rs. | |
|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Secured Loans - Refer Note | | |
| | Cash Credit facility from a Bank | 80,619,094 | 158,716,420 |
| | Credit Card Facility | - | - |
| | Unsecured | | |
| | Loan from a Related Party | - | - |
| | Total | 80,619,094 | 158,716,420 |

Note

1. Secured by hypothecation of Bookdebts, lien on fixed deposits and
2. Personal guarantees of Directors of the Company and collateral security of land owned by Director of the company.

| Note : 18 Trade Payables | | Amount in Rs. | |
|---------------------------------|---|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Trade Payables other than Acceptances: | | |
| | Dues to micro enterprises and small enterprises | | |
| | Others | 418,173,932 | 355,170,569 |
| | Total | 418,173,932 | 355,170,569 |

| Note : 19 Other Financial Liabilities (Current) | | Amount in Rs. | |
|--|--------------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Current Maturities of Long Term Debt | 1,191,824 | 3,515,825 |
| | Other Advances | 9,044,422 | 9,044,422 |
| | Total | 10,236,246 | 12,560,247 |

| Note : 20 Other Current Liabilities | | Amount in Rs. | |
|--|--------------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Provision for Expenses | 116,365,845 | 124,816,958 |
| | Provision for Interest & taxes | 155,484 | - |
| | Statutory Liabilities | 8,009,779 | -8,137,865 |
| | Security Deposits | 56,925,969 | 56,925,969 |
| | Payable to Employees | 17,492,255 | 18,900,474 |
| | Total | 198,949,332 | 192,505,536 |

| Note : 21 Provisions (Current) | | Amount in Rs. | |
|---------------------------------------|------------------------|-----------------------------------|-----------------------------------|
| | Particulars | As At 31st March, 2023 | As At 31st March, 2022 |
| | Gratuity | 35,856 | 471,571 |
| | Compensated Absences | 31,333 | 188,769 |
| | Provision for expenses | 47,545 | - |
| | Total | 114,734 | 660,340 |

BODHTREE CONSULTING LIMITED

| Note : 22 Revenue from Operations | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Export Sales | | |
| | Projects - Consultancy Services | 269,006,601 | 904,832,639 |
| | Projects - Off Shore | 301,296 | 2,885,769 |
| | License-Resale(Exports) | - | - |
| | Referral Fees | 367,348 | - |
| | Branch Sales | - | 64,000,000 |
| | | 269,675,245 | 971,718,408 |
| | Domestic Sales | | |
| | Consultancy Services | 90,261,376 | 54,531,094 |
| | Technical Services | 27,484,600 | - |
| | Projects - Onsite Consultancy Services | 4,262,915 | 15,272,803 |
| | | - | 381,864 |
| | Sale of Licences & Others (including devices) | - | - |
| | Branch Sales | 1,715,000 | - |
| | | 123,723,891 | 70,185,761 |
| | Total | 393,399,136 | 1,041,904,169 |

| Note : 23 Other Income | | Amount in Rs. | |
|-------------------------------|--|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Interest on Fixed Deposits with Bank | 1,376,304 | 1,428,706 |
| | Interest on Deposits-Others | - | - |
| | Exchange Fluctuation | 33,130,137 | 19,532,951 |
| | Fair value difference of financial Instruments | - | - |
| | Profit on sale of Investment | - | - |
| | Total | 34,506,441 | 20,961,657 |

| Note : 24 Work Execution Expenses | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Cost of SF / CRM Licenses / Others - (Resale / Own Use) | 26,500 | 55,659,346 |
| | Branch Expenditue- UPS Purchases | 1,120,000 | - |
| | Software - Technical Fee | 582,506,742 | 778,213,308 |
| | Total | 583,653,242 | 833,872,653 |

| Note : 25 Employee Benefit Expenses | | Amount in Rs. | |
|--|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Salaries and Allowances | 11,267,860 | 18,180,670 |
| | Directors Remuneration | 1,157,256 | 2,602,150 |
| | Contribution to Provident Fund & others | 428,109 | 939,102 |
| | Staff Welfare | 297,127 | 300,121 |
| | Total | 13,150,352 | 22,022,043 |

| Note :26 Finance Costs | | Amount in Rs. | |
|-------------------------------|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Interest on Term Loans | - | 397,635 |
| | Interest on Vehicle Loans & Unsecured Loans | 1,322,036 | 327,694 |
| | Interest on Cash Credit from Bank | 7,769,607 | 9,607,722 |
| | Bank & Other Finance Charges | 2,052,792 | 767,122 |
| | Interest on Delayed Payment of Statutory Dues | - | - |
| | Total | 11,144,435 | 11,100,172 |

| Note : 27 Other Expenses | | Amount in Rs. | |
|---------------------------------|---|----------------------------------|----------------------------------|
| | Particulars | Year Ended 31-03-2023 | Year Ended 31-03-2022 |
| | Insurance | 373,006 | 587,617 |
| | Printing & Stationery | 183,306 | 98,679 |
| | Rent, Rates & Taxes | 6,279,848 | 6,549,876 |
| | Communication Expenses | 90,255 | 277,710 |
| | Travelling Expenses | 2,471,510 | 1,692,249 |
| | Business Promotion Expenses | 881,189 | 335,958 |
| | Electricity & Water Charges | 900,874 | 722,824 |
| | Legal, Professional & Consultancy Charges | 6,844,159 | 2,120,589 |
| | Remuneration to Auditors | 800,000 | 1,332,497 |
| | Repairs & Maintenance | 6,279,932 | 947,388 |
| | Change in Fair Value (P&L) | (70,000) | (475,000) |
| | Miscellaneous Expenses | 1,020,846 | 114,808 |
| | CSR Expenditure | 767,622 | 3,379,925 |
| | Bad debts-Provision- Exports | 5,478,305 | 125,546,726 |
| | Administrative expenses | 1,063,752 | - |
| | Installation Charges | - | 13,600 |
| | Late Payment Fee-Penalty | 3,505,000 | 39,130 |
| | Rates & taxes | 30,412,966 | - |
| | Interest on taxes | 373,572 | - |
| | Construction Expenses | - | 485,772 |
| | Liquidated Damages | 8,388,632 | - |
| | Branch Indirect Expenses | 85,000 | - |
| | Loss on sale of Asset | - | 382,570 |
| | Total | 76,129,774 | 144,152,918.18 |

Note : 28 Changes In Inventory

| | Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|--|------------------------------|--|--|
| | Opening Stock | 3,272,553 | 3,272,553 |
| | Add : Purchases for the Year | - | - |
| | Less : Closing for the Year | - | 3,272,553 |
| | Total | 3,272,553 | - |