



CORPORATE INFORMATION
BOARD OF DIRECTORS

: Sri. Sudhir Rao, Managing Director
Sri. A.B.S. Reddy *
Sri. R.Satish Reddy *
Sri. B. Narayanaswamy **
Sri. T.Venkateswara Rao, Whole Time Director (Finance)
Sri. K.N.Dupare, (IDBI Nominee)**
Sri. Y R Rao**
Sri R Subramanian**
Sri S. Tirumala Prasad, Whole Time Director

* Promoter Non Executive Directors
** Independent Non Executive Director

AUDIT COMMITTEE

: Sri R Subramanian
Sri A.B.S. Reddy
Sri B Narayanswamy
Sri K.N. Dupare
Sri Y.R. Rao

REMUNERATION COMMITTEE

: Sri R. Subramanian
Sri B. Narayanswamy
Sri K.N. Dupare
Sri Y.R. Rao

**SHAREHOLDERS/INVESTORS
GRIEVANCES COMMITTEE**

: Sri A.B.S. Reddy
Sri Sudhir Rao
Sri R. Satish Reddy
Sri K.N. Dupare

SHARE TRANSFER COMMITTEE

: Sri Sudhir Rao
Sri R. Satish Reddy
Sri K.N.Dupare

COMPANY SECRETARY

: Sri Fahim Aslam Khan

REGISTERED OFFICE

: 5-9-22/B/404, My Home Sarovar,
Near Mediciti Hospital, Secretariat Road,
Hyderabad - 500 004,
Phone : 040 – 23298073/8074
URL : www.bartronicsindia.com

AUDITORS

: M/s.Yaji Associates,
Chartered Accountants
10-3-281/1/301, Humayun Nagar, Mehdiapatnam,
Hyderabad – 500028.

BANKERS

: Bank of Baroda
Exim Bank
HSBC Bank
Standard Chartered Bank
Indian Bank
Barclays Bank PLC
IDBI Bank Limited

LISTING

: Bombay Stock Exchange Limited
National Stock Exchange of India Limited

**REGISTRARS AND SHARE
TRANSFER AGENTS**

: Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai – 400072.
Tel: 022-2847 0652, Fax: 022 – 2847 5207.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held on Monday, 29th day of September, 2008 at 11.00 A.M. at Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500 044 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri A.B. Satyavas Reddy who retires by rotation and who being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Y.R.Rao who retires by rotation and who being eligible offers himself for re- appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, in place of M/s Yaji Associates, Chartered Accountants, who expressed their inability to continue as Statutory Auditor of the Company due to their pre-occupation.”

SPECIAL BUSINESS

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

“RESOLVED THAT Shri. S.Tirumala Prasad who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 02.09.2008 and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 is eligible for appointment and the Company has received notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his candidature for the office of Director of the Company, and who has consented, if appointed, to act as a Director, be and is hereby appointed a Director of the Company, who is not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of members of the Company be and is hereby accorded for appointment of Shri S.Tirumala Prasad, as Whole Time Director of the Company, designated as Chief Executive Officer of the Company, for a period of five years with effect from 02.09.2008 on such terms and conditions as are agreed to, with the Board of Directors of the Company (which term shall be deemed to include the Remuneration Committee, constituted by the members of Board of Directors) but subject to the restrictions, if any, contained in the Companies Act, 1956 and Schedule XIII to the said Act as amended up to date or otherwise as may be permissible by law.”

“FURTHER RESOLVED THAT the total Remuneration payable to Shri S.Tirumala Prasad, shall be restricted to 5% of the Net Profits of the Company and where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid remuneration and perquisites shall be paid to the Whole Time Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required.”



“RESOLVED FURTHER THAT subject as aforesaid, the Whole Time Director shall be governed by such other rules as are applicable to the Senior Executives of the Company from time to time”

“RESOLVED FURTHER THAT so long as Shri S.Tirumala Prasad, Director of the Company functions as Whole Time Director of the Company , he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.”

“RESOLVED FURTHER THAT Shri Sudhir Rao, Managing Director of the Company or Shri Fahim Aslam Khan, Secretary of the Company be and are hereby severally authorized for the purpose of completing the necessary formalities with respect to the appointment and file the relevant Forms with the Registrar of Companies, Andhra Pradesh, Hyderabad and to do all such acts, deeds, matters and things as it may, in its absolute discretion, consider necessary, expedient or desirable, and to settle any questions or doubts that may arise in relation thereto in order to give effect to the foregoing resolution, or as may be otherwise considered by it in the best interest of the Company.”

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

“RESOLVED THAT, pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby altered in the following manner:

1. In Article No.2 relating to the interpretation of various terms used in the Articles of Association :

The existing interpretation:

“ The Company ” or “This Company” are Shri Surendra K. Mehta, Shri Amit Mehta, Smt. Prabha Mehta and Shri Prateek Mehta, be replaced by the following definition:

“*The Company ” or “This Company ” means “Bartronics India Limited.”*”

The existing interpretation

“Extra Ordinary General Meeting” means Extra Ordinary meeting of the members duly called and constituted and any adjournment thereof.” be replaced by the following definition:

“*Extra ordinary General Meeting” means a General Meeting of the members other than Annual General Meeting duly called and constituted and any adjournment thereof.*”

2. The existing Articles 73 of the Articles of Association of the Company be and is hereby deleted and the following new Article as Article 73 be substituted in its place:

73. Unless otherwise determined by the Company , in General Meeting, each Director shall be entitled to receive out of the funds of the Company a fee not exceeding Rs. 5000 per meeting of the Board of Directors, and in addition to reimbursement of out of pocket expenses as a consequence of attending the Meeting.

3. The existing Articles 74 of the Articles of Association of the Company be and is hereby deleted and the following Article as Article 74 be substituted in its place:

74. *The Board of Directors shall appoint one amongst themselves as a Managing Director of the Company.*

4. The existing Articles 81(B) of the Articles of Association of the Company be and is hereby deleted and the existing Article 81(A) be renumbered as Article 81.

5. The existing Articles 92 of the Articles of Association of the Company as mentioned below be and is hereby deleted and the following new Article as Article 92 be substituted in its place:

Existing Article:

92. The Board may appoint any person as the Secretary of the Company on such terms and conditions as the Board may decide and delegate to him such powers which it deems fit to remove any secretary so appointed and fill up the vacancy in the said office. A Director may be appointed as a Secretary.



New Article:

92. " Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint or remove any individual at their discretion (hereinafter called the Secretary) who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed by the Secretary, and to execute any other purely ministerial and administrative duties which may from time to time be assigned to the Secretary by the Directors."

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

RESOLVED that in part modification of the approval of the shareholders at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, of Employee Stock Option Scheme -2008(hereinafter in this report referred as ESOS-2008) and pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or re-enactment thereof) and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, for the time being in force including any amendments thereof, (hereinafter referred to as "SEBI ESOP Guidelines"), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) to amend the vesting period to enable maximum period of vesting upto 4 years from the date of grant of options for the 2,81,951 stock options granted by the Company to the permanent employees including directors of the subsidiary Companies under ESOS 2008.

RESOLVED FURTHER that consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) to amend the Clause 7(a), of the ESOS-2008 , pertaining to Exercise period to enable exercise period upto 2 years from the date of vesting of options for the 2,81,951 stock options granted by the Company to the permanent employees including Directors of the subsidiary Companies under ESOS - 2008.

RESOLVED FURTHER that the Board be and is hereby authorised to do all the things necessary and to take such action as may be necessary or expedient to amend or alter or adopt any modifications or redefine the ESOS-2008 in accordance with the SEBI ESOP Guidelines issued / to be issued by SEBI from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any one or more officials of the Company.

9. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

RESOLVED that in part modification of the approval of the shareholders at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, of ESOS-2008 and pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or re-enactment thereof) and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, for the time being in force including any amendments thereof, (hereinafter referred to as "SEBI ESOP Guidelines"), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) to amend the vesting period to enable maximum period of vesting upto 4 years from the date of grant of options for the 3,18,049 (exceeding 1% of the issued and paid up equity share capital of the Company) stock options granted by the Company to the permanent employees including directors of the subsidiary Companies under ESOS-2008.

RESOLVED FURTHER that consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation Committee constituted by the Board to exercise its powers,



including the powers conferred by this resolution) to amend the Clause 7(a), of the ESOS-2008 , pertaining to Exercise period to enable exercise period upto 2 years from the date of vesting of options for the 3,18,049 (exceeding 1% of the issued and paid up equity share capital of the Company) stock options granted by the Company to the permanent employees including Directors of the subsidiary Companies under ESOS-2008.

RESOLVED FURTHER that the Board be and is hereby authorised to do all the things necessary and to take such action as may be necessary or expedient to amend or alter or adopt any modifications or redefine the ESOS-2008 in accordance with the SEBI ESOP Guidelines issued / to be issued by SEBI from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any one or more officials of the Company.

10. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

RESOLVED that in part modification of the approval of the shareholders at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, of ESOS-2008 and pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including the statutory modifications or re-enactment thereof) and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, for the time being in force including any amendments thereof, (hereinafter referred to as "SEBI ESOP Guidelines"), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) to amend the Clause 7(a), of the ESOS-2008 , pertaining to exercise period to enable exercise period upto 1 year from the date of vesting of options for the 3,50,000 stock options granted by the Company to the permanent employees including Directors of the Company under ESOS-2008.

RESOLVED FURTHER that the Board be and is hereby authorised to do all the things necessary and to take such action as may be necessary or expedient to amend or alter or adopt any modifications or redefine the ESOS-2008 in accordance with the SEBI ESOP Guidelines issued / to be issued by SEBI from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any one or more officials of the Company.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT in suppression of the earlier resolution passed by the members of the Company at the Annual General Meeting held on 10th September,2007, the consent of the members of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of business of the Company notwithstanding that money to be borrowed by the Company (apart from temporary loans obtained from the Bankers in ordinary course of business) up to the limit not exceeding in aggregate Rs. 1000 Crores (Rupees One Thousand Crores Only) including foreign monies to be borrowed, together with the monies already borrowed by the Company apart from temporary loans obtained from the Bankers in the ordinary course of Business will exceed the aggregate of the Paid up Capital of the Company and its free reserves, that it to say, reserves not set aside for any specific purpose.

**BY ORDER OF THE BOARD
For BARTRONICS INDIA LIMITED**

Sd/-

**SUDHIR RAO
MANAGING DIRECTOR**

Place: Hyderabad

Date: 02-09-2008



Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies duly held and signed must be deposited at the Company registered office not less than 48 hours before the time for holding the meeting.
2. Share Transfer books and Register of Members of the Company will remain closed during the period from 24-09-2008 to 25-09-2008 (both days inclusive).
3. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 would be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the members at the Registered Office of the Company, Fourteen days before and Three days after, the date of the Annual General Meeting of the Company.
4. Members desiring any information on accounts are requested to write to the Company at least seven days before the meeting so as to enable to the Company to keep the information ready and the Members/Proxies are requested to bring the Copies of the Annual Report to the Meeting as the same will not be distributed at the Meeting.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**Item No. 5**

The Board of Directors of the Company (the Board) appointed Shri. S. Tirumala Prasad as an Additional Director of the Company w.e.f. 02.09.2008, pursuant to Article 63 of the Articles of Association of the Company (the Articles). In terms of Section 260 of the Companies Act 1956 read with Article 63 of the Articles of Association of the Company, Shri. S.Tirumala Prasad will hold office of Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing with the requisite deposit from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri. S.Tirumala Prasad for appointment as a Director of the Company. Consent in writing has been received from Shri. S.Tirumala Prasad to act as a Director of the Company, if appointed. The relevant particulars in respect of Shri. S.Tirumala Prasad required to be given as per listing agreement are given in Annexure to this Notice. Resolution at item 5 seeks to appoint Shri. S.Tirumala Prasad as a Director of the Company.

The Board is of the view that, having regard to his wide knowledge and experience, it will be in the interest of the Company to appoint Shri. S.Tirumala Prasad as a Director of the Company.

Your Directors recommends the resolution for your approval.

Except Shri. S.Tirumala Prasad, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM No.6

Shri S Tirumala Prasad is an Electrical Engineer and has done M.S. in Computers from Wayne State University, Mucilage, U.S.A. He has got varied experience of 26 years in diverse fields in India and Abroad. He was employed in Tata Unisys Ltd. from 1982 to 85. During 1985-89 he was self employed as a consultant in U.S.A. in Management & Computer Systems.

The Board of Directors at their meeting held on 02nd September 2008 appointed Shri. S.Tirumala Prasad as an Additional Director and Whole time Director of the Company, designated as "Chief Executive Officer" with effect from that date for a period of five years or so long as he continues to be a Director, whichever is earlier.

Shri. S.Tirumala Prasad, prior to his appointment as "Whole Time Director", was the Chief Executive Officer of the Company. Considering his Background, competence and experience of Shri S.Tirumala Prasad and also by considering the guidance and advices provided by him during his tenure as Chief Executive Officer of the Company, the Board of Director of the Company are of the opinion that his services as a Whole Time Director of the Company would be very useful and helpful to the Company.

The terms and conditions with respect to appointment of Shri S.Tirumala Prasad, as Whole Time Director of the Company shall be as agreed with the Board of Directors of the Company (which term shall be deemed to include the Remuneration Committee, constituted by the members of Board of Directors) but subject to the restrictions, if any, contained in the Companies Act, 1956 and Schedule XIII to the said act as amended up to date or otherwise as may be permissible by law.



Since, the payment of remuneration, if any to Shri S.Tirumala Prasad, Director of the Company, with in the permissible limits of Schedule XIII, requires the approval of the members of the Company in General Meeting pursuant to Section 198, 309, 311 read with Schedule XIII to the Companies Act, 1956, the resolution as set out in the notice is recommended for the approval of the members.

None of the other Directors of the Company, except Shri S.Tirumala Prasad, is concerned or interested in the above resolution.

ITEM NO: 7

The provisions of existing Articles 2, 73, 74, 81(A), 81(B) and 92 of the Articles of Association of the Company are proposed to be altered in order to remove unintended ambiguity. Accordingly, it is proposed to alter the existing Articles 2, 73, 74, 81(A), 81(B) and 92 of the Articles of Association of the and insert in its place new Articles 2, 73, 74, 81 and 92 as set out in the Resolution.

In terms of Section 31 of the Companies Act, 1956, any amendment to the Articles of Association requires approval of the Members by way of a Special Resolution.

Your Directors recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

ITEM NO: 8

The members of the Company at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, approved the proposal of issue of stock options to eligible permanent employees including Directors of the subsidiary Companies by earmarking 2,81,951 shares for the purpose of Employees Stock Options Scheme, 2008(ESOS-2008)

Variation:

It is proposed to amend the ESOS-2008 plan pursuant to Clause 7.4 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 to vary the terms & conditions of ESOS 2008 in terms of changes in the vesting period and exercise period.

Rationale:

The variations are in terms of increasing the vesting period from 2 years to 4 years from the grant of options and to vary the exercise period to enable exercise period upto 2 years from the date of vesting of options in order to avoid unintended ambiguity in the ESOS 2008. The said variations are beneficial to the employees in terms of increased compensation over years coupled with increase in P/E due to increased earnings. Both variations will benefit employees in terms of increased prices. In view of the above changes in the ESOS 2008. The Board of Directors and the Compensation committee have considered favourably the request to amend the ESOS 2008.

Beneficiaries:

The employees including Directors of the subsidiary Companies to whom stock options are granted as per the ESOS-2008 plan will derive benefit from this amendment.

Your Directors recommend the resolution for your approval.

None of the Directors are deemed to be concerned or interested in the above resolution.

ITEM No. 9

The members of the Company at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, approved the proposal of issue of stock options to eligible permanent employees including Directors of the subsidiary Companies by earmarking 3,18,049 shares (exceeding 1% of the issued and paid up equity share capital of the Company) for the purpose of Employees Stock Options Scheme, 2008(ESOS-2008).

Variation:

It is proposed to amend the ESOS-2008 plan pursuant to Clause 7.4 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 to vary the terms & conditions of ESOS 2008 in terms of changes in the vesting period and exercise period.

Rationale:

The variations are in terms of increasing the vesting period from 2 years to 4 years from the date of grant of options and to vary the exercise period to enable exercise period upto 2 years from the date of vesting of options in order to avoid unintended ambiguity in the ESOS 2008. The said variations are



beneficial to the employees in terms of increased compensation over years coupled with increase in P/E due to increased earnings. Both variations will benefit employees in terms of increased prices. In view of the above changes in the ESOS 2008, The Board of Directors and the Compensation committee have considered favourably the request to amend the ESOS 2008.

Beneficiaries:

The employees including Directors of the subsidiary Companies to whom stock options are granted as per the ESOS-2008 plan will derive benefit from this amendment. Your Directors recommend the resolution for your approval.

None of the directors are deemed to be concerned or interested in the above resolution.

Item No. 10.

The members of the Company at the Extra-Ordinary General Meeting of the Company held on 25th February 2008, approved the proposal of issue of stock options to eligible permanent employees including Directors of the Company by earmarking 3,50,000 shares for the purpose of Employees Stock Options Scheme, 2008(ESOS-2008)

Variation:

It is proposed to amend the ESOS-2008 plan pursuant to Clause 7.4 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999 to vary the terms & conditions of ESOS 2008 in terms of changes in the Exercise period.

Rationale:

The variations are in terms of exercise period to enable exercise period upto 1 year from the date of vesting of options in order to avoid unintended ambiguity in the ESOS 2008. In view of the above changes in the ESOS 2008, The Board of Directors and the Compensation committee have considered favourably the request to amend the ESOS 2008.

Beneficiaries:

The employees including directors of the Company to whom stock options are granted as per the ESOS-2008 plan will derive benefit from this amendment. Your Directors recommend the resolution for your approval.

None of the Directors is deemed to be concerned or interested in the above resolution except the Directors who are granted of options under the ESOS-2008.

Item No 11:

The Board of Directors were authorized by a resolution passed at the Annual General Meeting held on 10th September, 2007, to borrow monies up to the limit of Rs. 500 Crores under Section 293(1)(d) of the Companies Act, 1956. In order to meet the increasing financial requirement of the Company it is felt necessary that the borrowing powers of the Company be increased from Rs. 500 Crores(Rupees Five Hundred Crores) to Rs.1000 Crores (Rupees One Thousand Crores). A fresh resolution under Section 293(1)(d) of the Companies Act, 1956 is therefore proposed as item no. 11 of the notice for your approval.

Your Directors recommended the resolution for your approval.

None of the Directors are interested in the above resolution.

**BY ORDER OF THE BOARD
For BARTRONICS INDIA LIMITED**

Sd/-

**SUDHIR RAO
MANAGING DIRECTOR**

Place: Hyderabad

Date: 02-09-2008



Annexure to Notice-(Contd.)

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE 17TH ANNUAL GENERAL MEETING
(Pursuant to the Clause 49 of the Listing Agreement)**

Name of the Director	Sri S.Tirumala Prasad	Sri A.B.Satyavas Reddy	Sri Y.R.Rao
Date of Birth	13.12.1960	15.05.1963	10.07.1948
Date of Appointment	02.09.2008	15.10.2003	29.01.2007
Qualifications	B.Tech(Electrical) from Regional Engg. College Warangal, A.P. M.S. (Computers)from Wayne State University, Mucilage, U.S.A.	B-Tech(Mechanical Engineering) from Osmania University	B.E., D.Sc (USA)
Expertise in Specific functional areas	He has got varied experience of 26 years in diverse fields in india and abroad. Employed in Tata Unisys Ltd. from 1982 to 85. During 1985-89 self employed as a consultant in U.S.A.in Management & Computer Systems.	Having rich experience in Engineering Industry	37 years of experience in the areas of telecommunication, Networking & IT especially in Govt Depts..
List of Companies in which outside Directorship held	1. Pradan Housing Private Limited 2. Inl Software Trading Private Limited 3. Infokall Enterprise Solutions Limited 4. Pradan Agri Developers Private Limited	1. Satya Straps And Packing Technologies Limited 2. Bhagyanagar Investments & Trading Pvt. Ltd. 3. Info Tech Infin And Trading Private Limited 4. Godavari Exports And Imports Private Limited 5. Total Iron & Steel Private Limited 6. Kakatiya Landscapes Private Limited 7. Endeavour Industries Limited 8. Zeva Trading Private Limited 9. Babji Realtors Private Limited 10. Bartronics Asia Pte Ltd. 11. Bartronics America Inc.	Nil
Chairman/Member of the committees of the Board of the Companies in which he is a Director	Nil	Nil	Nil



DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2008 comprising of twelve (12) months from 01-04-2007 to 31-03-2008.

Financial Results:

Your Directors do hereby report that your Company has achieved a total income of Rs.184.44 Crores during the financial year under review as against a total income of Rs.64.44 Crores during the previous financial year. (Rupees in Lakhs)

Particulars	Year ended	Previous year ended
	31 st March 2008	31 st March, 2007
Total Income	18444.44	6444.06
Total Expenses other than Interest	13944.78	4799.67
Interest	395.90	167.33
Total Expenses	14340.68	4967.00
Profit Before Tax	4103.77	1477.06
Provision for Tax	830.47	131.50
Profit After Tax	3273.30	1345.56
Add: Profit brought Forward from last year	2074 .03	728.47
Profit Available for Appropriation	5347.33	2074.03

Review of Operations:

During the year under review the Company's turnover has increased to Rs 183.30 Crores from Rs. 63.50 Crores of previous year, a growth of 188.66% and Profit before tax has increased to Rs. 41.04 Crores from Rs. 14.77 Crores of previous year registering growth of 178%. The current year looks equally promising and both, the turnover as well as the retained earnings, are expected to be better in the current year.

Industrial Relations:

Your directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year.

Employees Stock Option Scheme (ESOS)-2007

The shareholders of the Company at an Extra-Ordinary General Meeting held on February 25, 2008, gave their approval to amend the ESOS-2007 to vary the vesting schedule to enable 100% vesting of the options granted at the end of the first year from the date of grant. Similarly, Clause (h) of the ESOS-2007 was amended to remove restriction of entitlement to any employee of more than 1% of the issued capital of the Company During the year under review, the Company allotted 6,40,000 equity shares of Rs.10/- each upon exercise of stock options by the eligible employees under the ESOS-2007.

Employees Stock Option Scheme (ESOS)-2008

Your Company has always believed in rewarding employees for their continuous hard work, dedication and support, which has led the Company on a growth path. To enable more and more employees to enjoy the fruits of phenomenal growth that the Company has witnessed in the recent past, the shareholders of the Company at an Extra-Ordinary General Meeting held on February 25, 2008, gave their approval to implement the ESOS-2008, in accordance with Clause 6 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and the said Scheme has already been implemented as per the provisions contained in the above special resolution, with the grant of options under the Scheme.



Details about BARTRONICS INDIA LIMITED Employees Stock Option Scheme called ESOS- 2007 (BILESOS, 2007) and Employees Stock Option Scheme called ESOS- 2008 (BILESOS, 2008).

Pursuant to the provisions of Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, the details of stock options as on 31st March, 2008 under the BARTRONICS INDIA LIMITED Employee Stock Options Scheme called ESOS- 2007 and Employee Stock Options Scheme called ESOS- 2008 are as under:

SI.No	Particulars	ESOS-2007	ESOS-2008
1	Options Granted	8,00,000	5,84,041 During the year under review 3,65,959 (out of 9,50,000 Options) options are yet to be granted. Since the performance appraisal is under process as on 31.03.08.
2	Pricing formula	At Face Value of Rs.10/- each as per the Resolution passed at the Extra-Ordinary General Meeting of the Company held on 29.01.2007.	At Face Value of Rs.10/- each as per the Resolution passed at the Extra-Ordinary General Meeting of the Company held on 25.02.2008.
3	Options Vested	8,00,000	Not applicable as on date
4	Options exercised	6,40,000	Not applicable as on date
5	The total number of shares arising as a result of exercise of option	6,40,000	Not applicable as on date
6	Options lapsed	Nil	Not applicable as on date
7	Variation of terms of options	The terms of options in the Financial year 2007-08 by amending the vesting schedule to enable 100% vesting of the options granted at the end of the first year from the date of grant and Clause (h) of the ESOS-2007 also amended to remove restriction of entitlement to any employee of more than 1% of the issued capital of the Company.	The terms of options were not varied in the Financial year 2007-08
8	Money realized by exercise of options	64,00,000	Not applicable as on date
9	Total number of options in force	1,60,000	5,84,041 (Total options available for grant: 9,50,000 and Total Options granted is 5,84,041)
10	Employee wise details of options granted to i)Senior Management personnel	Sudhir Rao, Managing Director	As per the table given below.



SI.No	Particulars	ESOS-2007	ESOS-2008
	<p>ii) Any other employee who receives a grant in any one year of option amounting to 5% more of option granted during that year</p> <p>iii) 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 grant.</p>	<p>Sudhir Rao, Managing Director</p> <p>Sudhir Rao, Managing Director</p>	As per the table given below.
11	Diluted Earning Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS)20 Earning Per share	10.45	10.45
12	The difference between the employee compensation costs computed under intrinsic value method and the employee compensation cost that shall have been recognized if the Company had used the Fair Value methods and its impact on profits and EPS of the Company.	<p>The employee compensation cost on account of ESOS in the financial year 2006-07 based on Intrinsic value method is Rs. 9.55 Crore. Had the Company used the Fair value method, the ESOS cost in the financial year 2006-07 would have been Rs. 10.35 Crores.</p> <p>There would not have been any adverse effect on the profit and EPS of the Company, if Fair Market value method of accounting was adopted instead of intrinsic value.</p>	<p>The employee compensation cost on account of ESOS in the financial year 2007-08 based on Intrinsic value method is Rs. 18.57 Crore. Had the Company used the Fair value method, the ESOS cost in the financial year 2007-08 would have been Rs. 19.26 Crores.</p> <p>There would not have been any adverse effect on the profit and EPS of the Company, if Fair Market value method of accounting was adopted instead of intrinsic value.</p>
13	Weighted Average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	N.A.	Not applicable as on date
14	<p>Description of the method and significant assumptions used during the year to estimate the fair value of options.</p> <p>i. Risk-free interest rate</p> <p>ii. Expected life</p> <p>iii. Expected Volatility</p> <p>iv Expected dividends</p> <p>v. The price of the underlying share in market at the time of option grant</p>	The Company has opted intrinsic Value method for accounting of Compensation Cost arising out of ESOS. The Company has not made any assumptions.	The Company has opted intrinsic Value method for accounting of Compensation Cost arising out of ESOS. The Company has not made any assumptions.

**Stock Options granted during the year to employees including directors of the Subsidiary Companies**

S.No	Name of the Employee	Number of Stock Options granted	% (of 5,84,041 Options Granted during the year)	%(of Issued Capital)
1	Mr.Krishna Vemuri	281951	48.28%	1.06%
2	Mr. Narayan Ravi Setty	169171	28.97%	0.64%
3	Mr.Pundarika Bibi Reddy	70488	12.07%	0.27%
4	Mr.Sudhir Moni	28195	4.83%	0.11%
	Total	549805		

Note: 549805 Options(out of 600000 Options earmarked for the employees including directors of the Subsidiary Companies) were granted during the year. 50195 Options are yet to be granted. Since, the performance appraisal is under process as on 31.03.08.

Stock Options granted during the year to employees including directors of Bartronics India Limited

1	Mr.T.Venkateswara Rao	8318	1.42%	0.03%
2	Mr.Sudhir Rao	25918	4.44%	0.09%
	Total	34236		

Note: 34236 Options (out of 350000 Options earmarked for the employees including directors of the Bartronics India Limited) were granted during the year. 315764 Options are yet to be granted. Since, the performance appraisal is under process as on 31.03.08.

Zero Coupon Convertible Bonds due 2012:

Pursuant to approval of the shareholders in the Extra-Ordinary General Meeting held on 19.04.2007 Board has taken the approval of shareholders to issue Foreign Currency Convertible Bonds (FCCBs) to the foreign investors to the extent of US\$ 40 million on private placement basis with tenure of five years from their allotment, for the purpose of expansion of its activities in India and abroad and to finance the additional working capital requirements and for general corporate purposes including acquisitions , in accordance with provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository receipt Mechanism) Scheme, 1993 and accordingly the Company had issued and allotted FCCBs to an extent of US \$25 million on 04.06.2007. The details about the utilization of proceeds of FCCBs were already disclosed in the previous Annual Report.

During the year under review, the Company allotted 34, 46,046 equity shares of Rs.10/- each (as per the table given below) against the conversion of 115 Bonds (each bond representing US\$100,000) .

Sl. No.	Principle value of Total Number of Bonds allotted	Principle value of Bonds received upto 31.03.2008 (US\$)	Deemed value of Bonds (103% upto 04.06.08)	Fixed Exchange Rate (Rs)	Deemed Value of Bonds in Indian Rupees	Conversion Price (Rs.)	No. of shares issued and allotted during the year.
	(1)	(2)	(3)	(4)	(5)	(6)	(7=5/6)
1	25000000	11500000	11845000	40.73	482446850	140	34,46,046

Zero Coupon Convertible Bonds due 2013:

Pursuant to approval of the shareholders in the Annual General Meeting held on September 10, 2007, your Company raised US\$ 50 million through issue of Foreign Currency Convertible Bonds (FCCBs) with tenure of five years from their allotment, for the purpose of expansion of its activities in India including acquisitions abroad, in accordance with provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository receipt Mechanism) Scheme, 1993 and accordingly the Company had issued and allotted FCCBs to an extent of US \$50 million on 04.01.2008.

The Statement of utilization of proceeds of Foreign Currency Convertible Bonds (FCCBs):

1. Nature of Issue

Issue of FCCBs to foreign investors to the extent of US \$50 million on private placement basis.



2. Size of the Issue

US \$50 million

3. Aggregate amount of the Issue

Rs.197.85 Crores

4. Objects of the Issue

For the purpose of expansion of existing operations, setting up of new projects and overseas acquisitions and international investments.

5. Utilization of the Issue:

Funds have been utilized for the envisaged project. The production has commenced during the current financial year.

Allotment of 46,30,000 equity shares of Rs.10/- each against compulsorily convertible warrants issued by the Company on March 08, 2007 on preferential allotment:

The Company in the Extra-Ordinary General Meeting held on 29.01.2007 has taken the approval of shareholders to issue 46,30,000 Convertible Warrants of Rs.10/- each at a price of Rs.130/- per warrant to the existing members of the Company and/or Promoters or Promoter Group members and/or non-promoters and/or Strategic Investors and/or Financial Institutions/ Banks whether resident in India or non-resident Indians, Overseas Corporate Bodies (OCBs), Mutual Funds, Debenture Holders, Employees, Foreign Institutional Investors (FIIs), Companies, other entities/authorities on preferential basis, in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000, for the purpose of expansion project of the Company relating to Manufacture of Smart Cards and RFID related Products.

Accordingly, the Company allotted 46, 30,000 Convertible Warrants to the promoters/non promoters on 08.03.2007.

During the year under review, the Company allotted 46, 30,000 equity shares of Rs.10/- each against the conversion of warrants on 04.03.2008.

The Statement of utilization of proceeds of 46,30,000 Convertible Warrants:

1. Nature of Issue

Issue of 46, 30,000 Convertible Warrants of Rs.10/- each at a price of Rs.130/- per warrant to the existing members of the Company and/or Promoters or Promoter Group members and/or non-promoters on preferential basis.

2. Size of the Issue

46,30,000 Convertible Warrants

3. Aggregate amount of the Issue

Rs.6.02 Crores

4. Objects of the Issue

For the purpose of expansion Project of the Company relating to manufacture of Smart Cards and RFID related products.

5. Utilization of the Issue:

The proceeds have been used to set up smart card manufacturing facility at Raj Bollaram Village, Medak District, Andhra Pradesh and for working capital requirements.

SUBSIDIARY COMPANIES:

Bartronics Asia Pte Ltd :

The Company has incorporated a Wholly Owned Subsidiary Company named M/s. Bartronics Asia Pte Ltd on June 14, 2007 in the Republic of Singapore with the share capital of S \$1000 to capture Asian market and provide better after sales services.

M/s Bartronics Asia Pte Ltd has commenced its operations during the current year and recorded turnover of Rs. 5391.28 Lacs during the year 2007-2008.

Bartronics America Inc:

The Company has incorporated a Wholly Owned Subsidiary Company named M/s. Bartronics America Inc. on November 16, 2007 in the State of Delaware in USA under Registration No: 0334318 with the share capital of US\$1500.

M/s. Bartronics America Inc has commenced its operations during the current year and recorded turnover of Rs. 3,360.46 Lacs during the year 2007-2008.

Your Company's Financial Year is not coinciding with the Financial Year of above Subsidiary Companies. Both



Subsidiary Companies have carried on the business transactions from the date of the incorporation till 31st March, 2008. The Consolidated Financial Statements (consisting of annual audited accounts of your Company for the year ended 31st March 2008) have been annexed to the annual report of your Company for the financial year 2007-08. Furthermore since both the subsidiary Companies have been incorporated during the financial year 2007-08 and accounts are yet to be closed, therefore audited accounts, the Directors report, Auditors report and other related information of both subsidiary Companies could not be annexed.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies, as at 31st March, 2008, is also annexed to this Report.

New products:

During the year the Company has commenced the Smartcards Manufacturing facility. The Company's smart card manufacturing unit is India's first smart card manufacturing unit as of now, having 100% EOU status from Government of India. The Company offers one stop customized smart card based solutions and application. The Company is manufacturing smart cards, magnetic stripe cards, scratch cards and plain PVC cards.

The 80 million cards per annum facility is one of the largest facilities for manufacture of smart cards in South Asia. A recent study by one of the reputed market research Companies has projected the demand for smart cards to be over 150 million units this year and growing at a CAGR of around 45%. In line with the market demands, the Company intends selling its new products and solutions initially to the telecom industry and then gradually moving on to Government projects and the banking sector over the next 3-4 years. The Company has already entered into selling arrangements with a few leading consumers for the next two years and consequently move up from an estimated 70% capacity utilization in the first year to 100% in the second year of operations.

Acquisitions:

Company's wholly owned subsidiary Company named Bartronics America Inc. (BAI), a Delaware Corporation, USA has acquired the Assets of Proximities Inc. and SRG America Inc. based in the United States of America for a total consideration of US \$ 50 million.

The Proximities, Inc, is a privately held Company headquartered in Melbourne, FL. The Company develops, markets and supports secure RFID cashless payment, access control and age verification solutions. Proximities' proprietary technologies enable fast, more efficient and more secure transactions. Proximities, Inc., is also the leading developer of secure Radio Frequency Identification (RFID) wristbands, cashless payment, age verification and access control systems.

The Software Research Group, Inc. (SRG), headquartered in Iselin, New jersey, is a leading multinational organization that has successfully served the information technology market place for over ten years. Since its inception, SRG has gained vast experience in providing quality IT solutions to its customers on time cost effectiveness.

Statutory Disclosures

The particulars as prescribed under sub-Section [1] [e] of Section 217 of the Companies Act, 1956 read with the Companies [Disclosure of particulars in report of Board of Directors] Rules, 1988, are set out hereunder.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo forming part of Directors' Report in terms of Section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is as follows:

Conservation of Energy

The Operations of your Company are not Energy intensive. The Company makes every effort to conserve energy as far as possible in its facilities. The Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.

Technology absorption

Your Company did not invest in any R&D activity during the year under consideration. However, the upgradation of the Technology in vogue is being given highest priority to give a better service to the clientele.

Foreign Exchange Earnings and Outgo

Particulars	2006 - 07	2007 - 08
Foreign Exchange Earnings	3226.42	6433.96
Foreign Exchange Outgo	2480.09	4942.67



PERSONNEL

The relations with employees continued to be cordial through out the year. The Board appreciates the willful co-operation and team spirit in the Management Cadre and other employees of the Company.

Information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed to this report.

Reply to the Auditors' Report

Though the Company is regular in payment of statutory dues with the concerned authorities there has been some delays in deposit of Income Tax with appropriate authorities . Your Directors have taken note of the situation and efforts are being made to see that these delays are not repeated.

Directors

Shri A.B.Satyavas Reddy, Director of your Company, is liable to retire by rotation in this ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Resolution seeking approval of the Members for the re-appointment of Shri A.B.Satyavas Reddy as Director is being proposed at the ensuing Annual General Meeting. The Board of Directors recommend adoption of the resolution. A brief profile of Shri A.B.Satyavas Reddy, including areas of his expertise and other details, are attached to the Notice convening the ensuing Annual General Meeting.

Shri Y.R.Rao, Director of your Company , is liable to retire by rotation in this ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Resolution seeking approval of the Members for the re-appointment of Shri Y.R.Rao as Director is being proposed at the ensuing Annual General Meeting. The Board of Directors recommend adoption of the resolution. A brief profile of Shri Y.R.Rao, including areas of his expertise and other details, are attached to the Notice convening the ensuing Annual General Meeting.

Shri S.Tirumala.Prasad has been appointed as an Additional Director of the Company with effect from 02.09.2008. Shri S.Tirumala Prasad holds office upto the date of the ensuing Annual General Meeting. Notice has been received from a Member, under Section 257 of the Companies Act, 1956, proposing the name of Shri S.Tirumala.Prasad for appointment as Director.

Shri S.Tirumala.Prasad has also been appointed as Whole-time Director designated as Chief Executive Officer for a period of five years with effect from 02.09.2008, subject to approval of the Members and other authority (ies), as may be required.

Resolutions seeking approval of the Members for the appointment of Shri S.Tirumala.Prasad as Director and also as Whole-time Director, designated as Chief Executive Officer, are being proposed at the ensuing Annual General Meeting. The Board of Directors recommends adoption of the resolutions. A brief profile of Shri S.Tirumala.Prasad, including areas of his expertise and other details, are attached to the Notice convening the ensuing Annual General Meeting.

Listing of Company's Securities:

Your Company's shares are currently listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Dematerialization of Shares:

Your Company's shares have been made available for dematerialization through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Fixed deposits

Your Company has not accepted any deposits. As such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Auditors

The Company's existing Statutory Auditors M/s.Yaji Associates, Chartered Accountants, Hyderabad, have expressed their inability to continue as Statutory Auditors of the Company due to their Pre-Occupation. It is proposed to appoint M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad, as Statutory Auditors of the Company for the financial year 2008-09 at a remuneration as fixed by the Board of Directors.

The Company has received letters from M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad to the effect that their appointment as Statutory Auditors, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for such appointment.

Human Resources

Bartronics India Limited has been fortunate in having a set of committed employees at all levels and looks forward to nurture them and retain their loyalty. The Company recognises the value of the committed workers and efforts are being made to enhance the bonding between the Company and the committed employees.



Dividend

As the Company intends to plough back the profits for the ultimate benefit of shareholders, therefore no dividend is proposed.

Code of conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the Company's website. Board Members and Senior Management personnel have affirmed compliance with the Code for the financial year 2007-08. A separate declaration to this effect is made out in the Corporate Governance Report.

Directors Responsibility Statement

As required under the Companies Act, 1956 your Directors wish to state:

- a) In the preparation of the annual accounts for the year ended 31st March 2008 applicable accounting standards have been followed with no material departure.
- b) Accounting policies have been selected and applied consistently, at the same time judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year under review.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) Accounts for the year ended 31st March, 2008 have been prepared on going concern basis.

Group:

Persons forming part of the Group coming within the definition of 'Group' as defined in the Monopolies and Restrictive Trade Practices ("MRTP") Act, for the purpose of inter-se transfer of shares of the Company under Regulation 3(1)(e)(i) of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are enclosed in separate Section of the report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is annexed to this Report.

Corporate Governance

Pursuant to the Clause 49 of the Listing Agreement entered with the stock exchanges, the Company has complied with all the provisions of Corporate Governance and a detailed note in this regard is annexed to this report alongwith a Certificate of Compliance from Auditors of the Company.

Acknowledgement

Your Directors extend their gratitude to the valuable customers, investors, Bankers, Central and State Government officers and agencies for their continued support and acknowledge the valuable contribution made by the employees.

**BY ORDER OF THE BOARD
For BARTRONICS INDIA LIMITED**

Sd/-

**SUDHIR RAO
MANAGING DIRECTOR**

Place: Hyderabad

Date: 02-09-2008



Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1976 and forming part of the Directors' Report for the year ended 31st March, 2008.

Name of the Employee	Age	Designation	Remuneration Received Rs.	Qualifications	Experience (In Years)	Date of Commencement of Employment	Last employment held
Sudhir Rao	42 Years	Managing Director	56,53,143	PGDM from IIM Ahmedabad	17 Years	21.08.2002	COO-VMF SoftTech Limited, Ahmedabad/ Hyderabad
T.Venkateswara Rao	53 Years	Whole Time Director	24,00,000	CAIIB, Master in Administrative Management	28 Years	25.04.2005	Indusind Bank Vice President & Br. Head
L.Suresh	47 Years	Sr.Vice President-Software	6, 65,427	Master in Business Administration	23 Years	02.01.2008	Head Indian Operations Brighus Software (India)
S. Tirumala Prasad	47 Years	Chief Executive Officer	36,00,000	B.Tech (Electrical) From REC Warangal, M.S. (Computers) from Wayne State University, Mucilage, U.S.A	26 Years	01.04.2006	Associated with Indus Networks Limited



Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary Companies

Serial No.	Particulars	Bartronics Asia Pte Ltd, Singapore	Bartronics America Inc. , USA
1	Financial Year of the Company	14.06.2007-30.06.2008	16.11.2007-31.12.2008
2.	Shares of the subsidiary held by the Company as on 31.03.22008		
	(a) Amount Invested which is equivalent in Indian currency	Rs. 2,04,37,920	Rs. 60,090
	(b) Extent of holding	100%	100%
3.	Net aggregate amount of profit/ losses of the subsidiary for the above financial year of the subsidiary not dealt within the Company's Accounts		
	(a) for the financial year of the subsidiary – Profit /Loss	Nil	Nil
	(b) For the previous financial years since it became subsidiary	Not Applicable	Not Applicable
4.	Net aggregate amount of profit/ losses of the subsidiary for the above financial year of the subsidiary dealt within the Company's Accounts		
	(a) for the financial year of the subsidiary – Profit /Loss	–	–
	(b) For the previous financial years since it became subsidiary	Not Applicable	Not Applicable

The financial year of the holding Company is not coinciding with the financial year of subsidiary Companies. The following information is provided in this regard.

1. There is no change in the holding Company's interest in the subsidiary Companies from the date of incorporation to the date of closure of the financial year of holding Company i.e. 31st March, 2008.
2. There are no material changes which have occurred from the date of incorporation of the subsidiary companies to the date of closure of the financial year of holding Company (i.e. 31st March, 2008) in respect of (a) Subsidiaries Fixed Assets (b) its investments (c) the money lent by it (d) the money borrowed by it for any purpose other than that of meeting current liabilities.

For & on behalf of the Board of Directors

Sd/-
SUDHIR RAO
Managing Director

Sd/-
T. VENKATESWARA RAO
Whole Time Director (Finance)

Sd/-
FAHIM ASLAM KHAN
Company Secretary

Place : Hyderabad
Date : 02.09.2008



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments:

Bartronics India Limited (BIL), the pioneer in Automatic Identification and Data Capture (AIDC) technology Industry in India, is all set to make its presence felt globally. The Company is not only leveraging its current customer base but also adding new customers at a feverish pace. Having invested a fairly significant amount in a state-of-the-art manufacturing facility for Smart Cards manufacturing last year, the Company is poised for a big leap in terms of its operations in the future.

AIDC segment – Consolidating the Presence:

AIDC industry is rapidly moving towards the use of RFID in a number of high value and high volume market segment. The RFID market is expected to jump from \$1.4 billion annually to \$6.1 billion in 2010. RFID and biometrics solutions are growing at a CAGR of 50% and are expected to have an exponential growth with retail and manufacturing growth in India. Bartronics having the highest market share and first mover advantage is expected to be the biggest beneficiary.

BIL has during the year further consolidated its presence in the AIDC market in India. Being the only organized player in the market to provide end-to-end solutions based on AIDC technologies, the Company has penetrated into most of the industrial belts in India during the year. Strong emphasis on technical know-how has placed the Company in a premium position for providing services to emerging customer segments like infrastructure including roads, railways and airports.

Smart Card – Moving Aggressively

Smart cards have now become a way-of-life in India. With large scale projects being announced by the Government consistently, the Indian Market for Smart Cards is following the classic trend as was seen in some of the European countries which is the largest market for smart cards in the world. As elsewhere in the world, the trigger for market expansion has been the Government sector with the announcement of the implementation of smart cards for PAN (Income Tax Application), Season Ticket (Indian Railways), ID Cards (National Identity Card Programme) and Financial Inclusion Cards (RSBY Scheme).

India is now the hot-spot for smart card applications as Asia- Pacific accounts for approximately 30 percent of worldwide smart card sales, and is the second-largest market after Europe. The Indian Smart Cards Market is expected to witness the highest growth rate over the next 3 years.

With the commissioning of Asia's largest Smart Cards manufacturing facility, BIL has taken the competition by its horns. Moving fast, the Company has successfully captured the telecom sector and has started making giant strides into the Government Sector. Moving forward, the demand for banking cards is expected to take the lead over the other two sectors and the Company is actively investing in developing tailor-made solutions for this sector. To capture the demand for smart cards estimated at more than 150 million units per year and growing at a CAGR of 48%, BIL set up the first smart card manufacturing plant in India having a capacity of 80 million units. With the stabilization of production after the initial teething problems, the Company is set to maximize the benefits arising out of a booming market.

Initiating coverage

Bartronics Emerging as a Strong Brand

Bartronics has established itself as a brand successfully over the past couple of years. With a strong media presence and a top-of-the-mind recall amongst most of the target clientele, the Company today commands a premium on its services. The Company has added a few new customers during the year by providing state-of-the-art solutions based on RFID technologies. These include Diageo, ISPAT, East Coast Railways, Vedanta Group, Reliance Group and a number of State Governments,

The Company has been regularly participating in a number of industry expositions during the year. The Company is also a member of some of the committees of the Government of India that are entrusted with the tasks of laying down standards for the Industry.

Global Expansion – Immediate Traction

The Company successfully started operations in South Asia and the USA this year. In the South Asian market, Bartronics Asia Pte Ltd., a wholly owned subsidiary of BIL has been invited by the Singapore government to participate in the IT-2015 plan to strengthen the IT security infrastructure of the Government of Singapore. A number of large projects over the next six years are being planned for Bartronics Asia. Apart from Singapore, the Company has successfully established marketing network in Malaysia, Indonesia, Phillipines, Vietnam and Australia.

In the US market, BIL adopted an acquisition strategy successfully acquiring Proximities Inc., and SRG America Inc. during the year. As a combined entity merged into Bartronics America Inc., a wholly owned subsidiary of BIL, the US operations have started generating revenue from the first day itself.



Early wins in the Leisure and Entertainment vertical, followed by projects in the Government and transportation sector apart from some wins in the Healthcare vertical has placed Bartronics America firmly amongst select US customers.

Broad Based Management Approach

The Management team has been strengthened significantly during the year with various senior members joining the team. The top management team now includes a separate CEO for Indian operations, CEOs of the US and Singapore operations besides technical and functional heads. The management team has been proactive in identifying newer areas of growth, streamlining existing business processes as well as focusing on improving quality of deliverables to its customers.

As a result, the team now has a multi-pronged approach to decision making bringing in varied interests and perspectives. In the long run, this approach is expected to ensure stability in growth and profitability.

2. Strengths and Opportunities:

Multiple options for Growth

BIL today has multiple growth drivers. The start of the smart cards facility has ensured that the Company is now present across all the technologies under the AIDC umbrella. Entering this market at the right time, BIL is poised to ride the smart cards boom over the next 3-5 years. Similarly, the Company's entry into other geographical markets specifically the US and the South Asian markets have ensured that newer opportunities propel the Company to a true global enterprise.

Building on Alliances

BIL has constantly striven to strike the right kind of alliances in the industry. In the Smart Cards business, the Company has established strong relationships with M/s Muhlbauer, Giesecke & Devrient, ST Microelectronics, Infineon, Samsung and Oberthur Card Systems. In the AIDC space, the has strengthened its existing tie-ups with Intermec Corporation, Escorts Memory Systems etc.

Increasing Customer Base

BIL has added a number of new customers to its existing list of clients. This has added to the strength of the Company by ensuring that there is a larger base of customers for Company to provide its newer solutions. The increased base of customers also helps the customer in ensuring a larger Annual maintenance revenue in the future.

International Presence

With the opening up of the two wholly owned subsidiaries in Singapore and USA, Bartronics is now present in most of the growing markets. This gives tremendous advantage to the Company by not only increasing its revenues but also to implement innovative applications in various types of markets. Presence in the US has also helped the Company in ensuring a better access to technologies thereby ensuring the Company to maintain its leadership position.

3. Risks and Concerns:

Obsolescence of technology

The products and services offered by the AIDC industry hinder on technological and scientific progress. The products and services so offered shall be rendered obsolete by increasingly advanced and efficient products and services. This could hamper Company's profitability if they are not able to scan the environment for emerging technologies.

Competition in smart cards

Smart Cards as a technology space provides immense business sense to any corporate house for investment at the moment. Since the market is attractive, BIL believes that it will face competition in the near future from Companies intending to set-up manufacturing facilities in India. However, competition would increase the market size and penetration.

Depending on external suppliers

BIL being dependent on external suppliers for most of its key materials and hardware components, any delay in supplies would affect the business. Also with major growth in its revenues, its debtor's days have increased significantly leading to tight working capital. BIL being in technical field needs to be technology-updated and faces competition from new entrants thereby affecting margins.

Entry of Global players

Entry of global players in this industry may affect the Company's profitability as they have the brand and the money to implement the new technology very fast. The unorganized sector in India is also catching fast and may take some market share from Bartronics.



Risk Mitigation

The Company has taken steps at the right time to ensure that most of the risks that have been identified as above are addressed. Prominent amongst these are continued investment into the Technology Centre, diversification across technologies, diversification across geographic markets and broad basing of the Management Team.

4. 'Discussion on financial performance with respect to operational performance

We have achieved a tremendous growth of 186 % in annual revenues, recording Rs.18444.44 Lakhs for the year 2007-08 as against Rs 6444.06 Lakhs in the previous financial year 2006-07. The Company's net profit before tax stood at Rs. 4103.77 Lakhs in 2007-08 as against Rs. 1477.06 Lakhs in the previous financial year 2006-07.

Snapshot of financials:

(Rupees in lacs)

Particulars	2007 – 08	2006 – 07
Domestic Sales	11896.44	3123.12
Export Sales	6433.96	3226.43
Other Income	114.04	94.51
Total Income	18444.44	6444.06
PBDIT	4817.58	1812.84
PBDT	4421.68	1645.51
Depreciation	317.92	168.44
PBT	4103.77	1477.06
Provision for Taxation	830.47	131.50
Profit after Tax	3273.30	1345.56

Highlights of the Financial Results:

1. Share Capital

At present, we have only one class of shares-equity shares of face value of Rs.10/- each.

Movement in Authorised capital:

During the year, the Authorized Share Capital of the Company has been increased from Rs 30,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs 10/- each to Rs 40,00,00,000 divided into 4,00,00,000 Equity Shares of Rs 10/- each by further creation of 1,00,00,000 Equity Shares of Rs 10/- each vide resolution passed by the shareholders at their Extra-Ordinary General Meeting held on 19.04.2007.

Again, the Authorised Share Capital of the Company has been increased from Rs.40,00,00,000 (Rs. Forty Crores only) divided into 4,00,00,000 (Four crores only) equity shares of Rs.10/-(Rupees Ten Only) each to Rs.60,00,00,000 (Rs. Sixty Crores only) divided into 6,00,00,000 (Six crores only) equity shares of Rs.10/-(Rupees Ten Only) each by further creation of 2,00,00,000 (Two Crores only) Equity shares of Rs.10/-(Rupees Ten Only) each vide resolution passed by the shareholders at their Annual General Meeting held on 10.09.2007.

Movement in Paid-up Capital:

Movement of the paid-capital is provided in the table below:

Particulars	2007-2008		2006-2007	
	Equity Shares(Nos)	Rs crore	Equity Shares(Nos)	Rs crore
Paid-up capital-beginning of year	17819078	17.82	14569078	14.57
Add:Shares issued upon QIP	N.A	N.A	3250000	3.25
Add:Shares issued under ESOS-2007	640000	0.64	N.A	N.A
Add:Shares issued against conversion of convertible warrants.	4630000	4.63	N.A	N.A
Add:Shares issued against conversion of FCCBS.	3446046	3.44	N.A	N.A
Total	26535124	26.53	17819078	17.82

**Reserves & Surplus:**

In 2007-08 year, the reserves stand at Rs.21582.34 Lacs against Rs.9978.44 Lacs in year 2006-07. The increase in reserves are Rs. 11603.90 Lacs..

Loan funds:**In Rs Lakhs**

Particulars	2007-08	2006-07
Secured Loan	6022.15	911.95
UnSecured Loan	25281.05	Nil
Total	31303.20	911.95

Net Worth:

The net worth of the Company as on 31st March, 2008 is Rs.24087.18 Lacs against Rs.12,201.02 Lacs in 2006 – 07. The increase in the Net worth is about 97.42% when compared to net worth at the end of previous financial year.

Fixed Assets:

There is an addition in Fixed Assets to an extent of Rs.5081.98 Lacs, which is mainly for acquiring smart card manufacturing equipments and land at Raj Bollaram Village, R.R. District. The Fixed Assets Turnover ratio has declined from 5.53 to 1.03 this is mainly because of the new fixed assets acquired during the year.

Investments:

During the year under review, the Company has invested Rupees 204.98 Lakhs. in Subsidiary Companies.

Loans, Advances & Deposits:

Loans and Advances as on 31st March, 2008 are Rs.343.77 Crores against Rs.70.52 Crores as on 31st March, 2007.

Receivables:

The receivables stand at Rs. 48.89 Crores as on 31st March, 2008 against Rs.72.71 Crores as on 31st March, 2007.

Current Liabilities and Provisions:

The current liabilities as on 31st March, 2008 are Rs.34.57 Crores against Rs.41.32 Crores as on 31st March, 2007.

5. Segment wise or product wise performance of the Company.

The Company's business falls under a single product segment, i.e., providing solutions using AIDC technologies. However, the revenue generated by the Company can be segmented geographically with 64.90% of the revenues generated from domestic sales and 35.10 % of the revenues generated from export sales.

6. Outlook for the current year

The Company during the year 2007-2008 has achieved a turnover of Rs 183.30 Crores and the Basic EPS of the Company is at Rs. 16.91 per share. Bartronics is expected to repeat its impressive financial performance over the next few years on back of demand for AIDC products coupled with the use of smart cards. Revenues from the new smart card facility will be visible from FY08. In addition, the Company is actively scouting Companies for acquisition which would trigger further upside in the revenue and profit of the Company.

7. Internal Control Systems:

The Company has suitable internal control systems and processes in place for the smooth conduct of its businesses. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and for safeguarding the assets of the Company and for ensuring appropriate recording and reporting of financial information for ensuring reliability of financial controls and for ensuring compliance of applicable laws and regulations.

The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to availability and suitability of policies and procedures. The internal audit function to evaluate the effectiveness of Management Information Systems (MIS) takes steps for safeguarding the assets of the Company.

The audit committee of the Company monitors the performance of internal audit functioning of the Company on a periodical basis through continuous reviewing of the audit plans, audit findings and by ensuring to have corrective measures if any for rectification of any findings.



8. Material developments in Human Resources/Industrial Relations front, including number of people employed:

Your Company treats human resources as an important valuable asset for the growth of the organization and keeping this in view every effort is being made to retain and attract best talent in the industry to cater current and future business needs. Various in-house training programmes are conducted to enhance the capability of existing employees. The Company recognised the value of the committed workers and efforts are being made to enhance the bonding between the Company and the committed employees.

Persons constituting Group coming within the definition of 'Group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 for the purpose of inter-se transfer of Shares of the Company under Regulation 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 as amended from time to time include the following:

Sr. No.	Name of Person/ Entity
1.	A.B.Satyavas Reddy and his relatives
2.	A.B. Neetha Reddy and her relatives
3.	R. Satish Reddy and his relatives
4.	R. Shobha Rani Reddy and her relatives
5.	Satya Straps and Packing Technologies Limited
6.	Bartronics America Inc., USA
7.	Bartronics Asia Pte Limited, Singapore.
8.	Software Research Group Inc., USA
9.	Performica Software Pvt. Ltd., Hyderabad
10.	Quality E People
11.	SRG America Inc., Canada
12.	Veneta Holdings Limited, Mauritius

The above statement has been published to avail the exemption under Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time.



REPORT ON CORPORATE GOVERNANCE

Philosophy on Code of Governance

The Company firmly believes that good Corporate Governance represents the foundation of Corporate Excellence. A Sound Governance process consists of a combination of business practices, which result in enhancement of Shareholder's value and enable the Company to fulfill its obligations to customers, employees, financiers and to the Society at large. The Company aims to increase and sustain its value through growth and innovation.

Board of Directors

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board. The constitution of Board as on 31.03.2008 is as follows:

- Two Promoters, Non- Executive Directors
- Two Non- Promoters, Executive Directors
- Four Independent and Non-Executive Directors

During the year ended on 31st March, 2008, Seventeen Board Meetings were held on 12th April, 2007, 19th April, 2007, 31st May 2007, 4th June 2007, 11th July 2007, 30th July 2007, 10th October 2007, 17th October 2007, 29th October 2007, 11th December 2007, 18th December 2007, 31st December 2007, 4th January 2008, 24th January 2008, 9th February 2008, 4th March 2008 and 17th March 2008.

The Composition of the Board of Directors as on 31st March 2008, the number of other Board of Directors or Board Committees of which he is a member/Chairperson and the attendance of each Director at these Board Meetings and the last Annual General Meeting (AGM) are as under:

Name of Director (1)	Category (2)	No. of Directorships (3)	Number of Board Meeting Attended (4)	Number of Membership/ Chairmanship on other Board Committees (5)	Attendance at the last Annual General Meeting (6)
Shri Sudhir Rao (Managing Director)	Executive Director	Nil	17	Nil	Yes
Shri A.B.Satyavas Reddy	Promoter Non Executive	11	8	Nil	No
Shri R. Satish Reddy	Promoter Non Executive	4	2	Nil	No
Shri T. Venkateswara Rao (Whole Time Director)	Executive Director	1	17	Nil	Yes
Shri B. Narayanswamy	Independent Non Executive	3	5	Nil	No
Shri K.N. Dupare (Nominee of IDBI Limited)	Independent Non Executive	1	3	Nil	Yes
Shri Y.R. Rao	Independent Non Executive	Nil	5	Nil	No
Shri R. Subramanian	Independent Non Executive	1	2	Nil	No

Change in Composition of Board of Directors since the date of last AGM held on 10.09.2007 upto the date of this Report.

Shri S.Tirumala Prasad has been appointed as an Additional Director of the Company at the Board Meeting held on 02.09.2008.



Board Committees

Audit Committee

Composition:

The Audit committee of the Company comprises of Five Directors. Four members of the Audit Committee are Independent, Non Executive Directors and the remaining one member of the committee is promoter non executive director. All the members of the Committee are financially literate and Chairman of the Committee is an expert in corporate finance, accounts and Law. The Chairman of the committee is Independent Non executive Director, nominated by the Board. The Company Secretary acts as the Secretary to the Board Committee. The Director Finance and Managing Director are permanent invitees at the meeting of the Committee.

Composition of the Audit Committee:

Serial No.	Name of Director	Position
1.	Shri R. Subramanian	Chairman , Independent, Non Executive
2.	Shri A.B.S. Reddy	Promoter, Non Executive
3.	Shri B. Narayanswamy	Independent, Non Executive
4.	Shri K.N. Dupare	Independent, Non Executive
5.	Shri Y.R. Rao	Chairman , Independent, Non Executive

The Audit Committee has the following powers:

1. To investigate into any matter in relation to the items, specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and shall have full access to information contained in the records of the Company and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To obtain outside legal or other professional advice.
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to :
 - a. Matters required to be included in the Director's responsibility Statement to be included in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control Systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.



8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters, where there is suspected fraud, irregularity failure of the internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and the scope of audit as well as the post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and the creditors.
12. Reviewing the Company's financial and risk management policies,
13. Carrying out such other functions which, may be, from time to time specifically referred by the Board of Directors.

The Audit Committee also reviews the following information:

1. The Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions, submitted by management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses ;
5. The appointment, removal and terms of remuneration of the Chief internal auditor; and
6. Review of uses/ application of funds raised through (public issue, right issue, preferential issue, GDR etc.)

Meetings and attendance

During the year ended 31st March 2008 four Audit Committee Meetings were held on 19th April 2007, 30th July 2007, 29th October 2007 and 24th January 2008.

Sl. No.	Name of Director	No. of Meetings Attended
1.	Shri R. Subramanian (Chairman)	2
2.	Shri K.N. Dupare	3
3.	Shri B. Narayanswamy	4
4.	Shri Y.R. Rao	4
5.	Shri A.B.S. Reddy	Nil

Remuneration Committee

The Remuneration committee recommends to the Board of directors regarding the remuneration payable to the Executive directors of the Company. The Remuneration Committee Comprises of Four Directors all of whom are Non Executive Independent Directors. The members of Remuneration Committee are Shri R. Subramanian, Shri B. Narayanswamy, Shri K.N. Dupare and Shri Y.R. Rao. Shri R. Subramanian is the Chairman of the Remuneration Committee.

The Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by a resolution of shareholders at the Extra-ordinary General Meeting of the Company held on 25th February 2008. Three Remuneration Committee Meetings were held on 30.07.2007, 24.01.2008 and 25.02.2008.

Name of Director	No. of Meeting Attended
Shri R. Subramanian	One
Shri B. Narayanswamy	Three
Shri K.N. Dupare	Two
Shri Y.R. Rao	Three



Remuneration policy

Remuneration of employees largely consists of base remuneration, perquisites and allowances. The components of the total remuneration vary for different cadres/grades and are governed by industry pattern, Qualification and experience of the employee, responsibilities handled by him, individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain talent in the organization and reward merits.

The Company pays remuneration by way of salary, perquisites and allowances to the Managing Director and whole time Director.

1. Details of Remuneration to the Executive Director paid/ payable for the Financial Year 2007-08 is as follows:

Name of Director	Basic Salary (Rs)	Allowances (Rs.)	Perquisites (Rs)	Total (Rs)
Shri Sudhir Rao	25,65,000	29,39,799	1,48,344	56,53,143
Shri T.Venkateswara Rao	10,80,000	11,34,600	1,85,400	24,00,000

2. There is no pecuniary Relationship or no transactions involving pecuniary relationship between the Company and Non -Executive Director of the Company.

The Company pays a sitting Fees of Rs. 1,000/- per Board Meeting attended by the non executive Director.

Shareholders' Committee

i) Share Transfer Committee

A share transfer committee was constituted to deal with various matters relating to share transfer/ transmission, issue of duplicate share certificates, approving the split and consolidation requests and other matters relating to transfer and registration of shares.

The committee was constituted with three Directors as under

Sl. No.	Directors Name	Position held	Category
1.	Shri Sudhir Rao	Member	Managing Director
2.	Shri R. Satish Reddy	Member	Non Executive Director
3.	Shri K.N. Dupare	Member	Non Executive Director

ii) Shareholders Grievance Committee

As a measure of Good Corporate Governance and to focus on the Shareholder's Grievances and towards strengthening investors relations, an Investors Grievance Committee has been constituted as a Sub- Committee to the Board for the purpose of specifically looking into the matters relating to Shareholders and Investors Grievance such as non- receipt of dividends etc.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duly Amended), the Board has approved the 'Code of Conduct' for the prevention of "Insider Trading" and authorized the committee to monitor the various requirements as set out in the code.

Sl. No.	Directors Name	Position held	Category
1	Shri A.B.Satyavas Reddy	Chairman	Non – Executive Director
2.	Shri Sudhir Rao	Member	Managing Director
3.	Shri R. Satish Reddy	Member	Non Executive Director
4.	Shri K.N. Dupare	Member	Non Executive Director

Details of shareholders' complaints received and resolved during the year 2007-08

The total 25 number of complaints/ correspondence were received and replied to the satisfaction of the shareholders during the year ended on 31st March 2008. There were no outstanding complaints as on 31st March, 2008. No shares were pending for transfer as on 31st March, 2008.

Compliance Officer:

The Board has designated Shri Fahim Aslam Khan, Company Secretary as the Compliance Officer.



General Body Meeting

Location and time, where last three Annual General Meetings were held are given below:

Accounting Year	Date	Location of Meeting	Time	Special resolution passed
2006-2007	10 th September, 2007	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad-500044	11.00 A.M.	1. Payment of enhanced remuneration to Shri Sudhir Rao 2. To issue FCCB's
2005-2006	28 th July 2006	Naina Gardens, Kukatpally, Hyd.	11.00A.M.	1. Payment of Enhanced remuneration to Shri Sudhir Rao
2004-2005	2 nd May, 2005	3 rd Floor, Plot no. 18, Nagarjuna Hills, Punjagutta, Hyderabad-500082	11.30 A.M.	1. Capitalisation of free reserves by issue of bonus shares 2. Approval of ESOS- 2005 Scheme 3. To issue shares through Book Building Process or on preferential Basis 4. Alteration of the Articles of Association

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 29th Day of September, 2008.

Details of Extra- Ordinary General Meeting held during the Year 2007-08

Date	Location of Meeting	Time	Special resolution passed
25 th February 2008	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad-500044	11.00 A.M.	1. To amend the vesting schedule under ESOS – 2007 2& 3 : Approval accorded to the board to implement the Proposed ESOS-2008 for the benefit of permanent employees including Directors of subsidiary companies situated in India or outside India whether working in or outside India. 4. Approval accorded to the board to implement the Proposed ESOS-2008 for the benefit of permanent employees including Directors of the Company whether working in or outside India. 5. Payment of enhanced Remuneration to Shri Sudhir Rao.

Disclosure

- The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large.
- The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/ strictures were imposed against it during the last three years.
- The following Non Executive Directors hold Equity Shares of the as stated below on 31.03.2008

Name of Director	No. of Shares Held
A.B.Satyavas Reddy	23, 01,900
R. Satish Reddy	18, 53,000



Means of communication

- i) A half-yearly report was not sent to each household of shareholders. Shareholders were intimated through the Company's website www.bartronicsindia.com about the quarterly performance and the financial results of the Company.
- ii) The quarterly and half yearly results of the Company are generally published in Business Standard (English) and Andhra Bhoomi (Telugu)
- iii) Presentations were also made to the media, analysts, institutional investors etc. from time to time.
- iv) The management's discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

General Shareholders' Information**Annual General Meeting**

Date and Time : 29th September, 2008 at 11.00 a.m at Sundaraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500044.

Financial year

The financial year of the Company is of 12 Months beginning from 1st April and ending on 31st March.

Financial year calendar for 08-09 (Tentative)

Results for the quarter ending 30th June 2008 – Fourth week of July 2008.

Results for the quarter ending 30th September 2008 – Fourth week of October 2008

Results for the quarter ending 31st December 2008 - Fourth week of January 2009

Results for the quarter ending 31st March 2009 - Fourth week of April 2009

Book closure date

24th September to 25th September 2008 (both days inclusive) on account of A.G.M.

Dividend

The Board has not recommended any dividend for the year ended 31st March 2008.

Listing of equity shares on stock exchanges at

- i) National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051
- ii) Bombay Stock Exchange Ltd.
The Corporate Relationship Department
Rotunda Building, P.J. Towers, Dalal Street
Fort, Mumbai 400 001.

Listing fees

Listing fee for the year 2008-09 has been paid to the above stock exchanges.

Depositories

- i) National Securities Depository Ltd.
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 003
- ii) Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai 400 023

The Annual Custodial Charges to the National Securities Depository Limited and Central Depository Services (India) Limited for the financial year 2008-09 has been paid.

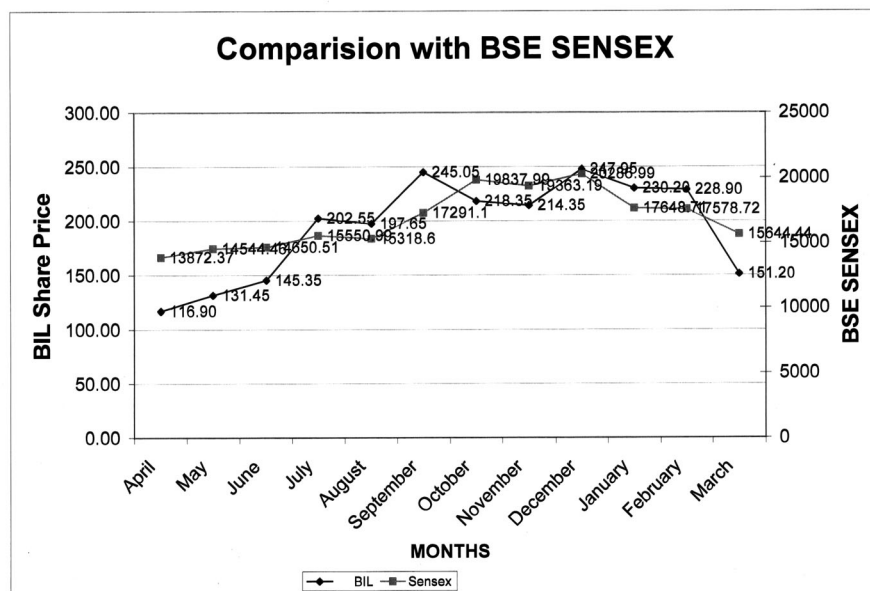


Stock code

- NSE symbol for Bartronics India Limited is BARTRONICS
- BSE code for Bartronics India Limited is 532694
- ISIN number for Bartronics India Limited is INE855F01034

**Share price performance
Bombay Stock Exchange Limited:**

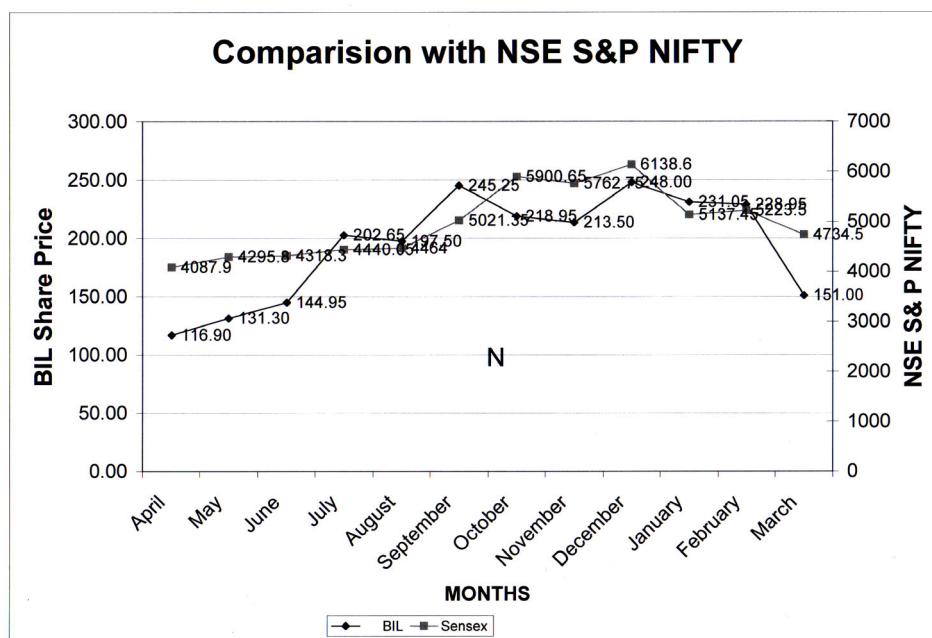
Month	Months High Price	Months Low Price	Spread High Low	Closing Price	Volume	BSE Sensex (Closing)
April 07	132.00	104.10	27.90	116.90	854488	13872.37
May 07	137.40	100.30	37.10	131.45	1961338	14,544.46
June 07	149.00	119.25	29.75	145.35	1457108	14,650.51
July 07	213.00	135.95	77.15	202.55	6354471	15,550.99
August 07	202.75	169.25	33.50	197.65	1519926	15,318.60
September 07	287.85	190.10	97.75	245.05	3151650	17,291.10
October 07	264.90	210.00	54.90	218.35	1454745	19,837.99
November 07	265.90	195.00	70.30	214.35	1067670	19363.19
December 07	259.00	215.00	44.00	247.95	2291896	20,286.99
January 08	294.50	182.15	112.35	230.20	2743895	17,648.71
February 08	245.25	196.70	48.55	228.90	2438256	17,578.72
March 08	238.00	145.30	92.70	151.20	2429346	15,644.44





National Stock exchange of India Limited

Month	Months High Price	Months Low Price	Spread High Low	Closing Price	Volume	S&P CNX NIFTY (Closing)
April 07	131.90	110.20	21.70	116.90	1001056	4087.90
May 07	137.60	109.40	28.20	131.30	2458749	4295.80
June 07	148.75	122.15	26.60	144.95	1711496	4318.30
July 07	213.95	133.00	80.95	202.65	7350570	4440.05
August 07	202.00	170.00	32.00	197.50	2102260	4464.00
September 07	281.65	190.15	91.50	245.25	4184142	5021.35
October 07	265.45	211.10	54.35	218.95	1905645	5900.35
November 07	264.50	198.00	66.50	213.50	1814506	5762.75
December 07	265.00	217.00	48.00	248.00	2692350	6138.60
January 08	293.80	180.00	113.80	231.05	3678594	5137.45
February 08	245.95	196.15	49.77	228.95	3310420	5223.50
March 08	230.20	145.80	84.40	151.00	3030878	4734.50



**Registrar and Transfer Agents:**

The Registrar and Transfer Agents of the Company are M/s Bigshare Services Private Limited. A Category I Registrar and Transfer Agent, with its offices at the following addresses:

Registered Office

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (E), Mumbai – 400072
Tel : 022-2847 0652
Fax : 022-2847 5207

Branch Office

Bigshare Services Private Limited
G-10, Left Wing, ASHri.utha Ville,
Opp : Yashoda Hospital
Somajiguda, Raj Bhavan Road
Hyderabad – 500082
Tel : 040-2337 4967

Share Transfer System

Share transfer and transmission work is being looked after by the Registrar and Transfer Agents. Investors are advised to contact either the Company or Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the Company in case of any problems relating to transfer or transmission of shares.

Distribution of Shareholding

Shareholding of Nominal Value (in Rupees)	No. of Shareholders %	% (Percentage)	No. of Shares Held	% (Percentage)
Upto - 5000	27,948	93.14448	28262820.00	13.33448
5001-10000	1,021	3.40277	8219050.00	3.87777
10001-20000	466	1.55307	7158640.00	3.37747
20001-30000	198	0.65989	5105670.00	2.40887
30001-40000	79	0.26329	2800150.00	1.32112
40001-50000	56	0.18664	2623900.00	1.23796
50001-100000	120	0.39993	8924810.00	4.21075
100001 – Above	117	0.38994	148857920.00	70.23158
Total	30,005	100.00	211952960.00	100.00

Pattern of shareholding as on 31ST March, 2008 (Face Value: Re.10 each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	10333845	38.94
Mutual Funds	1618314	6.10
Financial Institutions/Banks	411000	1.55
Foreign Institutional Investors	2911520	10.97
Body Corporate	1993327	7.51
Indian Public	5910970	22.28
Clearing Members	85596	0.32
Non resident Indians and Overseas Body Corporate	3236682	12.20
Trust	33870	0.13
Total	26535124	100.00



Dematerialization of shares

The Company has provided an option to the Shareholders to hold the Shares of the either in physical form or in the dematerialized form. For the purpose of holding the equity shares of the in dematerialized form, the Company has entered into Tripartite Agreement with both National Security depository Limited (NSDL) and the central Security Depository Services India Limited (CDSIL) .The ISIN Number for equity shares of the allotted by NSDL & CDSIL is INE855F01034.

The annual Custodial charges to National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSIL) for the financial year 2008-09 has been paid.

635 Foreign Currency Convertible Bonds were outstanding for conversion as on 31.03.2008. This apart there were no other outstanding GDRs/ADRs/ and warrants which may have impact on the Equity.

Plant Location

Survey No. 351,
Raj Bollaram Village
Medchal – 501401
Ranga Reddy District
Andhra Pradesh

Investors' Correspondence

Shri. Fahim Aslam Khan, Secretary
5-9-22/B/404, My Home Sarovar
Near Medicit Hospital
Secretariat Road
Hyderabad – 500063
Phone: 91-40-23298073/74
Fax: 91-40-23298076
Email: investors@bartronicsindia.com

Declaration in terms of amended clause 49(1)(d)(ii) of Listing Agreement.

It is hereby confirmed that all board members and senior management personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial year 2007-08.

Date : 02.09.2008
PLace : Hyderabad

Sd/-
Sudhir Rao
Managing Director



CEO & CFO CERTIFICATION

We, Sudhir Rao, Managing Director and T. Venkateswara Rao, Wholetime Director (Finance) to the best of our knowledge and belief, do hereby certify that

1. We have reviewed financial statements and Cash Flow Statements for the year and that to the best of our knowledge and belief ;
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee :
 - i) Significant changes in internal control over financial reporting during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) 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.

Date: 02.09.2008
Place: Hyderabad

Sd/-
Sudhir Rao
Managing Director

Sd/-
T.Venkateswara Rao
Wholetime Director(Finance)



**Compliance Certificate from Auditors
Auditors' Certificate on Corporate Governance**

To

The Members of Bartronics India Limited,

We have examined the compliance conditions of Corporate Governance by Bartronics India Limited, Hyderabad for the period ended 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's Grievance Committee.

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

**for Yaji Associates
Chartered Accountants**

Sd/-

A P P Kasipati

Partner

M No 19442

Place : Hyderabad

Date : 02.09.2008



AUDITORS REPORT

TO THE MEMBERS OF BARTRONICS INDIA LIMITED

We have audited the attached Balance Sheet of M/s Bartronics India Limited as at March 31, 2008 and also the Profit and Loss Account of the Company along with the Cash Flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management and our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India, in terms of Section 227 (4A) of the companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-clause 3 (c) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March, 31 2008 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956; and
 - f) In our opinion and to best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008
 - ii) in the case of Profit & Loss Account, of the profit for the year ended on that date.
 - iii) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

for Yaji Associates
Chartered Accountant
Sd/-
A.P.P. KASIPATI
Partner
M.No.19442

Place : Hyderabad
Date : 02.09.2008



ANNEXURE TO THE AUDITORS' REPORT
(REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE)

In respect of Companies (Auditors Report) Order, 2003

Para 4(i) of the Order

- a) In our opinion, the Company has maintained accounting records to show particulars including quantitative details and situation of fixed assets.
- b) As explained to us, there is a regular program of verification of fixed assets, which in our opinion is reasonable having regard to the size of the company and the Nature of its assets. During the year, as explained to us, no material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed off a substantial part of its fixed assets.

Para 4(ii) of the Order

- a) As explained to us, the stocks of finished goods and raw materials were verified by the management during the year periodically and at the time of annual closing. In our opinion, the frequency of such physical verification is reasonable.
- b) With regard to the procedures adopted by the management for physical verification of the stocks, we are of the opinion that they are reasonable & adequate in relation to size of the company & the nature of its business.
- c) The company is maintaining adequate records to record the inward and outward movement of raw materials, intermediaries and products. For all other inventory items, in our opinion, there is a need to systematize & improve the records, as they are basically dependent upon a physical verification carried out from time to time. It is explained to us that no material discrepancies were noticed on physical verification.

Para 4(iii) of the Order

We are informed that the company has neither granted nor taken any loans, secured or unsecured, from or to any companies, firms or other parties to be listed in the registers to be maintained under Section 301 of the Companies Act, 1956, and hence the matters regarding the rate of interest, terms & conditions of loans, repayments and overdue amounts more than Rupees one lakh are not applicable.

Para 4(iv) of the Order

In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company, and the nature of its business for the purchase of stores and consumables, plant & machinery, equipments, and other assets and for the sale of goods and services of the company. While undertaking a detailed review of the internal controls prevailing, no continuing weaknesses have been noticed.

Para 4(v) of the Order

According to the information and explanations given to us, the purchase of goods and materials & sale of goods and materials and services made in pursuance of contracts of arrangements to be entered in the registers, maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.5 lacs or more in value in respect of each party, are prima facie reasonable having regard to the prevailing market prices at which transactions for similar goods or services have been made with other parties.

Para 4(vi) of the Order

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits falling within the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

Para 4(vii) of the Order

In our opinion the internal audit functions carried out during the year by Chartered Accountant appointed by the management have been commensurate with the size of the Company and the nature of its business.

Para 4(viii) of the Order

We are informed that maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 has not been prescribed for the activities carried out by the company.

Para 4(ix) of the Order

- a) The company had generally regularly deposited during the year statutory dues such as provident fund, ESIC, Sales Tax, Wealth Tax, Customs and Excise duty etc., with the appropriate authorities. However the company is yet to deposit the Income tax with the appropriate authorities.



b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Customs duty and Excise duty as at the Balance Sheet date for a period of more than 6 months from the date they became payable.

Para 4(x) of the Order

The company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

Para 4(xi) of the Order

Based upon our review of the accounts and the information & explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution or a bank.

Para 4(xii) of the Order

We are informed that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Para 4(xiii) of the Order (First part)

Is not applicable as the company is not a Chit Fund Company

Para 4 (xiii) of the Order (Second Part)

Sub clauses (a) to (d) therein are not applicable as the company is not a nidhi, mutual benefit or similar society.

Para 4(xiv) of the Order

is not applicable as the company is not dealing or trading in shares, securities debenture or other investments.

Para 4(xv) of the Order

We are informed that the company has not given any guarantee for loans taken by others from banks or financial institutions.

Para 4(xvi) of the Order

During the year, the company has availed Term Loans to the tune of Rs 2026.23 lacs from ABN Amro Bank and Indian Bank and the same has been applied for the purpose for which it has been sanctioned.

Para 4(xvii) of the Order

According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have prima facie not been used for long-term investments.

Para 4(xviii) of the Order

The company has made preferential allotment in the previous year to the tune of 46,30,000 compulsorily convertible warrants of Rs.10/- each at a price of Rs.130/- per warrant – which have been fully paid up during the year.

Para 4(xix) of the Order

The company has not issued any debentures during the year

Para 4(xx) of the Order

The Company has raised funds by issuing Foreign Currency Convertible Bonds to the tune of Rs 299.65 crores (1st Issue to the tune of Rs 101.80 crores and 2nd Issue to the tune of Rs 197.85) for meeting the capital expenditure of the company and Investment in Subsidiaries at Singapore and America.

Para (xxi) of the Order

We are informed that no fraud on or by the company has been noticed or reported during the year and during the course of our audit.

For Yaji Associates
Chartered Accountants

Sd/-
A.P.P KASIPATI
Partner
M No.19442

Place : Hyderabad

Date : 02.09.2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

(Amount in Rs.)

PARTICULARS	Schedule No.	AS AT 31.03.08 Rs.	AS AT 31.03.07 Rs.
<u>SOURCE OF FUNDS</u>			
Share Capital	1	265,351,240	178,190,780
Convertible Warrants		–	60,190,000
Reserves & Surplus	2	2,158,234,223	997,843,633
Secured Loans	3	602,215,461	91,195,268
Unsecured Loans (FCCB)	4	2,528,105,000	–
Deferred Tax Liability	5	41,300,000	17,960,000
TOTAL		5,595,205,924	1,345,379,681
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	6		
- Gross Block		674,103,590	165,905,513
- Less : Depreciation		<u>81,244,329</u>	<u>49,452,513</u>
- Net Block		592,859,262	116,453,000
Capital work-in-progress		1,192,954,006	109,126,245
Investments	7	20,498,010	–
Current Assets, Loans & Advances	8	4,119,696,583	1,516,933,815
Less : Current Liabilities & Provisions	9	<u>345,669,415</u>	<u>413,255,299</u>
Net Current Assets		3,744,027,169	1,103,678,516
Miscellaneous Expenditure (to the extent not written off)	10	14,867,476	16,121,920
		5,595,205,924	1,345,379,681
Significant Accounting Policies & Notes to the Accounts	16		

As per our report of even date

For & on behalf of the Board of Directors

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2008**

(Amount in Rs)

PARTICULARS	Schedule No.	31.03.2008 Rs.	31.03.2007 Rs.
I INCOME			
Sales (net of returns)			
Domestic (Net)		1,189,644,462	312,312,243
Exports		643,396,060	322,642,942
Other Income	11	11,403,807	9,450,927
TOTAL		1,844,444,329	644,406,112
II EXPENDITURE			
Cost of Goods Sold	12	1,262,908,062	413,661,484
Employee Remuneration & Benefits	13	31,122,769	24,838,186
Administrative, Selling and Other Expenses	14	64,938,048	24,533,886
Interest	15	39,589,723	16,732,526
Depreciation	6	31,791,815	16,844,767
Miscellaneous Expenses Written Off		3,716,869	89,000
TOTAL		1,434,067,286	496,699,849
Profit Before Tax		410,377,043	147,706,263
Provision for Taxation			
- Current		59,330,000	9,000,000
- Deferred		23,340,000	3,725,000
- Fringe Benefit		377,188	425,000
Profit After Tax		327,329,855	134,556,263
Balance brought forward from Previous Year		207,402,980	72,846,717
Balance Carried to Balance Sheet		534,732,835	207,402,980
Earnings per Share			
Basic EPS		16.91	9.07
Diluted EPS		10.45	6.91

As per our report of even date

For & on behalf of the Board of Directors

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008**

(Amount in Rs)

Particulars	2007-08	2006-07
Cash Flow From Operations		
Net Profit Before Tax	410,377,043	147,706,263
Adjustment for Depreciation	31,791,815	16,844,767
Non Cash Expenses Written off	3,716,869	89,000
Financial Expenses	39,589,723	16,732,526
Prior period expenses	-	-
Interest Earned & Other Income	(11,403,807)	(9,450,927)
Operating Profit Before Working Capital Changes	474,071,643	171,921,629
Adjustments for :		
Decrease / (Increase) in Inventories	(53,421,950)	(18,339,144)
Decrease / (Increase) in Debtors	238,222,763	(557,271,280)
Decrease / (Increase) in Loans & Advances	(2,732,485,878)	(692,908,849)
(Decrease) / Increase in Current Liabilities	(127,293,072)	333,356,499
Cash Generated from Operations	(2,200,906,494)	(763,241,145)
Other Income	11,403,807	9,450,927
Cash from Operating Activities (I)	(2,189,502,687)	(753,790,218)
Cash from Financial Activities		
(Decrease) / Increase in Share Capital	87,160,460	32,500,000
(Decrease) / Increase in Share Application Money	(60,190,000)	60,190,000
(Decrease) / Increase in Share Premium	833,060,735	325,000,000
(Decrease) / Increase in Unsecured Loans	2,528,105,000	-
(Decrease) / Increase in Working Capital Loans	308,598,624	8,411,702
(Decrease) / Increase in Long Term Borrowings	202,421,569	(402,744)
Financial Charges	(39,589,723)	(16,732,526)
Net Cash Flow From Financial activities (II)	3,859,566,665	408,966,432
Cash From Investing Activites		
Decrease / (Increase) in Fixed Assets - Net	(508,198,077)	(47,293,662)
Decrease / (Increase) in Investments - Net	(20,498,010)	-
Decrease / (Increase) in Capital Work In Progress	(1,083,827,761)	51,953,699
Decrease / (Increase) in Miscellaneous Expenditure	(2,462,425)	(15,971,670)
Cash Used in Investment Activites (III)	(1,614,986,273)	(11,311,633)
Net Increase in Cash and Cash Equivalent (I+II+III)	55,077,705	(356,135,419)
Cash & Cash Equivalents at beginning of the Year	2,033,909	358,169,328
Cash & Cash Equivalents at end of the Year	57,111,614	2,033,909

As per our report of even date

For & on behalf of the Board of Directors

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary

Auditors Certificate

We have examined the attached Cash Flow Statement of Bartronics India Limited derived from the audited financial statements for the year ended 31 st March, 2008. The Statement has been prepared by the Company in accordance with requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report of 02.09.2008 to the Members of the Company.

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No. 19442

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Amount in Rs)

	AS AT 2007-2008	AS AT 2006-2007
SCHEDULE I : SHARE CAPITAL		
AUTHORISED		
6,00,00,000 Equity Shares of Rs.10/- each (Previous Year 3,00,00,000 Equity Shares of Rs. 10/. Each)	600,000,000	300,000,000
ISSUED,SUBSCRIBED & PAID UP		
2,65,35,124 Equity shares of Rs.10/- each fully paid. (Previous year 1,78,19,078 Equity Shares of Rs. 10/- each)	265,351,240	178,190,780
Notes :		
1. 34,46,046 Equity Shares of Rs 10/- each fully paid up were allotted during the year on conversion of Foreign Currency Convertible Bonds (FCCB).		
2. 6,40,000 Equity Shares of Rs 10/- each allotted during the year to the Managing Director under ESOS - 2007		
3. 46,30,000 Equity Shares of Rs 10/- each allotted during the year on conversion of Warrants.		
TOTAL	265,351,240	178,190,780
SCHEDULE 2 : RESERVES & SURPLUS		
1. SECURITIES PREMIUM ACCOUNT		
Opening Balance	790,440,653	465,440,653
Add: Premium conversion of 115 FCCB into 34,46,046 Equity Shares @ Rs.130/-	447,986,030	-
Add: Premium collected on issue of 32,50,000 Equity Shares @ Rs.100/- each	-	325,000,000
Add: Premium on conversion of 46,30,000 convertible warrants @ Rs. 120/- per Equity Share	555,600,000	-
SUB TOTAL	1,794,026,683	790,440,653
Less: Issue management expenses	103,728,042	-
Less : Interest on FCCB	66,797,253	-
SUB TOTAL	170,525,295	-
TOTAL	1,623,501,388	790,440,653
2. PROFIT & LOSS ACCOUNT		
TOTAL (1+2)	2,158,234,223	997,843,633



SCHEDULE 3 : SECURED LOANS**TERM LOANS**

ABN Amro Bank	50,000,000	-
Indian Bank	152,622,649	-
Hire Purchase Finance From Banks	224,532	827,612
Hire Purchase Finance from Others	402,000	-

TOTAL TERM LOANS	203,249,181	827,612
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WORKING CAPITAL LOANS

Bank Of Baroda	98,061,369	90,367,656
Standard Chartered Bank	100,904,911	-
Exim Bank	200,000,000	-

(Refer Schedule 16 - II-3)

TOTAL	602,215,461	91,195,268
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SCHEDULE 4 : UNSECURED LOANS

Foregin Currency Convertible Bonds Issue Durng the Year (Refer Schedule 16 - II-1)	2,996,500,000	-
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TOTAL	2,996,500,000	-
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Less: Converted into Equity Shares during The Year	468,395,000	-
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TOTAL	2,528,105,000	-
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SCHEDULE 5: DEFERRED TAX

Opening Balance on Timing Difference - Depreciation	17,960,000	14,235,000
Add: Timing Difference on Depreciation for the year	23,340,000	3,725,000

TOTAL	41,300,000	17,960,000
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Schedule - 6 : Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening as on 01.04.07	Additions	Deletions	Closing as on 31.03.08	As on 01.04.07	During the year	Deletions	As on 31.03.08	As on 31.03.08	As on 31.03.07
LAND	1,951,491	5,876,580	1,951,491	5,876,580	-	-	-	-	5,876,580	1,951,491
BUILDINGS	11,006,107	13,770,237	-	24,776,344	732,836	211,410	-	944,246	23,832,098	10,273,270
PLANT AND MACHINERY	24,575,862	343,222,446	-	367,798,308	6,262,391	5,743,995	-	12,006,386	355,791,922	18,313,470
ELECTRICAL INSTALLATION	402,422	10,066,407	-	10,468,829	155,736	264,877	-	420,613	10,048,216	246,686
COMPUTERS	107,076,400	134,727,976	-	241,804,376	36,114,997	23,857,566	-	59,972,563	181,831,813	70,961,403
FURNITURE & FIXTURES	9,177,278	1,775,556	-	10,952,834	3,545,838	597,601	-	4,143,439	6,809,395	5,631,440
VEHICLES	11,715,953	710,366	-	12,426,319	2,640,714	1,116,368	-	3,757,082	8,669,237	9,075,239
T O T A L	165,905,513	510,149,568	1,951,491	674,103,590	49,452,513	31,791,817	-	81,244,329	592,859,261	116,453,000
PREVIOUS YEAR FIGURES	118,611,851	47,293,662	-	165,905,513	32,607,746	16,844,767	-	49,452,513	116,453,000	86,004,105
CAPITAL WIP	109,126,245	1,194,571,544	110,743,783	1,192,954,006	-	-	-	-	1,192,954,006	109,126,245



SCHEDULE 7: INVESTMENTS

Investment in Subsidiary - Unquoted at cost		
- Bartronics Asia Pte Ltd. Singapore (769500 Equity Shares of Singapore Dollars 1/- Each fully paid up)	20,437,920	-
- Bartronics America Inc. USA (1500 Equity Shares of US Dollars 1/- Each fully paid up)	60,090	-
TOTAL	20,498,010	-

SCHEDULE - 8 : CURRENT ASSETS, LOANS & ADVANCES

A) CURRENT ASSETS		
INVENTORIES		
- Raw Material	13,944,947	-
- Finished Goods (Refer Schedule 16 - I - 5)	122,008,937	82,531,934
SUNDRY DEBTORS (Unsecured Considered Good)		
Due for a period exceeding 6 Months	43,615,860	64,790,443
Other Debts	445,322,128	662,370,308
CASH ON HAND	107,736	21,478
BALANCE WITH SCHEDULED BANKS		
- Current Accounts	55,147,037	162,321
- Deposit Accounts (Under lien to Banks)	1,856,841	1,850,110
TOTAL	682,003,486	811,726,594
B) LOANS & ADVANCES (Unsecured, considered good)		
Advances to Subsidiaries	2,808,159,445	-
Advances to Suppliers	608,036,198	684,032,370
Deposits	11,977,351	11,120,884
Advance Tax & TDS	1,185,642	2,370,091
Other Current Assets	8,334,461	7,683,874
TOTAL	3,437,693,097	705,207,220
GRAND TOTAL	4,119,696,583	1,516,933,814

SCHEDULE - 9 : CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES		
SUNDRY CREDITORS		
For Goods, Services and Expenses	158,967,229	385,737,791
Advances Received from Customers	31,387,778	2,844,726
Other Liabilities	16,469,001	9,864,873
Interest Accrued but not due on Loans	66,797,253	-
TOTAL	273,621,261	398,447,390
B) PROVISIONS		
Provision for Taxation	68,580,666	12,060,863
Gratuity	1,395,917	1,307,032
Leave Encashment	2,071,570	1,440,014
TOTAL	72,048,153	14,807,909
GRAND TOTAL	345,669,415	413,255,299

**SCHEDULE 10 : MISCELLANEOUS EXPENSES**

Opening Balance	16,121,920	239,250
Add : Additions during the year	2,462,425	15,971,670
SUB - TOTAL	18,584,345	16,210,920
Less : Written off for the year	3,716,869	89,000
TOTAL	14,867,476	16,121,920

SCHEDULE 11 : OTHER INCOME

Interest	1,937,730	1,434,117
Commission	435,509	211,074
Exchange Fluctuation (Gain)	-	480,291
Miscellaneous Income	82,058	7,325,445
Profit on sale of Asset	8,948,510	-
TOTAL	11,403,807	9,450,927

SCHEDULE 12 : COST OF GOODS SOLD

Opening Stock	82,531,934	64,192,790
Add : Purchases	1,316,330,012	432,000,628
Less : Closing Stock	135,953,884	82,531,934
TOTAL	1,262,908,062	413,661,484

SCHEDULE 13 : EMPLOYEES REMUNERATION & BENEFITS

Salaries, Wages & Bonus	17,344,033	16,910,677
Contribution to Provident Fund & ESI	787,824	792,699
Directors Remuneration	8,053,143	2,270,640
Staff Welfare Expenses	3,799,770	3,940,496
Gratuity	435,039	923,674
Leave Encashment	702,960	-
TOTAL	31,122,769	24,838,186

SCHEDULE 14 : ADMINISTRATIVE & SELLING EXPENSES

Advertisement	87,044	504,324
Commission on Sales	3,524,020	4,000
Directors Travelling	310,813	-
Discount	3,832,727	-
Electricity Charges	2,006,022	576,408
Exchange Fluctuation Loss	12,547,954	-
Insurance	611,556	1,201,489
Postage, Telegrams & Telephones	1,472,335	1,559,859
Printing & Stationery	1,073,455	765,352
Professional Fees	10,457,682	2,876,148
Rates, Taxes & Fees	7,039,189	1,990,350
Rent	5,584,154	4,288,229
Repairs & Maintenance	2,209,594	691,069
Sales Promotion	3,724,020	2,361,589
Sitting Fees	6,000	-
Travelling & Conveyance	7,467,184	6,010,258
Other Expenses	2,984,299	1,704,811
TOTAL	64,938,048	24,533,886

SCHEDULE 15 : INTEREST & FINANCIAL CHARGES

Interest - Term Loan	13,149,786	2,192,348
Interest - Cash Credit	19,827,538	10,888,860
Interest - Others	4,045,015	350,000
Bank Charges	2,567,384	3,301,318
TOTAL	39,589,723	16,732,526



Schedule 16 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

Financial Statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the accounting principles generally accepted in India. The Financial Statements comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of Companies Act, 1956.

2. Use of Estimates

The Preparation of Financial Statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the reported amount of revenue and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

3. Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of Fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4. Depreciation and Amortization

Depreciation on fixed assets is provided on Straight Line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956.

5. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis.

6. Investments

Long-term investments are carried at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are stated at the lower of cost and fair value.

7. Leases

Lease arrangements where the risks and rewards incident to the ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Profit and Loss account on a straight-line basis over the lease term.

8. Employee Benefits

- a. Short term employee benefits are charged off at the undiscounted amount in the year in which related service is rendered.
- b. Past employment and other long term employee benefits are charged off in the year in which the employee has rendered the service. The amount charged off is recognized based on internal valuation.

9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent liabilities are not provided for and are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

10. Foreign Currency Transactions

Foreign Currency transactions are recorded at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense.

Investments in the Equity Capital of Companies registered outside India are carried in the Balance sheet at the rates prevailing on the date of transaction.

11. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use or sale.

12. Taxation

Current tax is determined as the amount of tax payable in respect of taxable income of the year. Deferred tax for timing differences between the income as per the Financial statement and income as per the Income tax Act 1961, is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be created.



13. Impairment of Assets

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds the recoverable amount.

14. Earnings per share

The earnings considered in ascertaining EPS comprise the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

15. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payment. The cash flows from regular revenue generating investment and financing activities of the Company are segregated.

II. OTHER NOTES

1. The Company raised US\$ 25 Million (Bonds of US\$ 100000 each) on 09.06.2007 bearing coupon rate of 7.25%p.a and US\$ 50 Million (Bonds of US\$ 100000 each) on 04.01.2008 bearing coupon rate of 6.65% p.a by way of Foreign Currency Convertible Bonds (FCCB). Bond holders have an option to convert each bond of US\$ 100000 in to shares of Rs. 10/- each at the conversion price of Rs.140/- in respect of the first issue of US\$25 Million and at the conversion price of Rs.290/- in respect of second issue of US\$ 50 Million. During the year 3446046 shares were allotted out of the first issue of FCCB consequent to conversion of 115 bonds aggregating to US\$ 11.5 Millions. The balance bonds unless previously converted will be redeemed on 3rd June 2012 in respect of first issue of FCCB and on 4th February, 2013 in respect of second issue of FCCB.
2. **Contingent liability**

(Amount Rupees in Lakhs)

Particulars	2007-2008	2006-2007
Bank Guarantees availed from Banks	82.21	4.90
Letter of credit issued by Banks	737.72	-

3. Secured Loans

- 3.1 Term Loan from ABN Amro Bank is secured by Plant and Machinery purchased out of the said Term Loan.
- 3.2 Term Loan from Indian Bank is secured by Equitable mortgage created on the immovable property of the Company at Raj Bollaram village, and further secured by Goods, produce, Merchandise, stock stored, to be stored in the premises of the Company at Raj Bollaram.
- 3.3 Working capital loans from Banks are secured by entire current assets and movable fixed assets of the Company both present and future, and further secured by Personal guarantee of the Directors.
- 3.4 Hire Purchase loans are secured by the assets purchased out of the said loan.

4. Taxation

Various Components of Deferred tax assets and Deferred tax Liabilities as at 31/03/2008 and 31/03/2007 are given below:-

Amt in Rs.in Lakhs

Particulars	As at 31.3.2008	As at 31.3.2007
Deferred Tax Liability		
- On account of timing differences (A)	413.00	179.60
Deferred Tax Assets (B)	-	-
Net Deferred Tax Liability (A-B)	413.00	179.60
Deferred tax liability charged to profit and loss account.	233.40	37.25

5. Segment Reporting

The Company is principally engaged in single business segment Viz., the business of providing Automatic Identification and Data Capture (AIDC) solutions and operates in one geographical segment as per Accounting Standard 17 on 'Segment Reporting'.

**6. RELATED PARTY DISCLOSURE****Key Management Personnel**

Mr. Sudhir Rao – Managing Director
 Mr T Venkateswara Rao – Whole Time Director (Finance)
 Relatives of Key Management Personnel - Nil

Other related parties with whom transactions have taken place during the year.**Subsidiary Companies**

Bartronics Asia Pte Ltd
 Bartronics America Inc

(Amount Rupees in Lakhs)

Particulars	Subsidiaries		Key Management Personnel	
	2007-08	2006-07	2007-08	2006-07
Remuneration paid	-	-	80.69	22.84
Subscription of Equity Shares	204.98	NIL	NIL	NIL
Advances made during the year	28081.59	NIL	NIL	NIL
Balance outstanding as at the year end Investment in Shares	204.98	NIL	NIL	NIL
Advances outstanding	28081.59	NIL	NIL	NIL

7. Managerial Remuneration**Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956.**

Amount Rs. In Lakhs

Particulars	Year Ended 31.3.2008	Year Ended 31.3.2007
Profit before tax	4103.77	1477.06
Add: Directors Remuneration	80.69	22.84
Net profit under Section 198 of the Companies Act, 1956	4184.46	1499.90
Maximum remuneration allowable under section 198 of the Companies Act, 1956 restricted to 11% of Net Profit (subject to limits prescribed under Schedule XIII to the Companies Act, 1956)	460.29	164.99

Managerial Remuneration:-

Amount Rs. In Lakhs

Particulars	Year Ended 31.3.2008	Year Ended 31.3.2007
Managing and Whole Time Directors' Remuneration		
Salary and Allowances	80.54	22.71
Contribution to Provident Fund	0.09	0.09
Directors' Sitting Fees	0.06	0.04
Total	80.69	22.84

8 Payment to Auditors

Amount in Rs. in Lakhs

Particulars	Year Ended 31.3.2008	Year Ended 31.3.2007
a) For Statutory Audit	0.60	0.60
b) For Certification	0.15	0.15
Total	0.75	0.75



9. Disclosures under Micro Small and Medium Enterprises Development Act, 2006

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of Principal amount and/or interest and accordingly no additional disclosures have been made.

10. Earnings per share

Amount Rupees in lakhs

Particulars	Year Ended 31.3.2008	Year Ended 31.3.2007
Profit attributable to Equity Shareholders -(A)	3273.30	1345.56
Weighted average number of Equity Shares outstanding during the year (B)	19356525	14827297
Nominal value of Equity Shares	10.00	10.00
Basic earnings per Share (A/B)	16.91	9.07
Diluted Earnings per Share	10.45	6.91

11. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act.

a) Information on installed capacity :

Particulars	2007 - 08	2006 - 07
	Installed	Installed
Smart Cards (Contact & Contact Less)	5,00,00,000	No production & Facilities during 2006 -07
Magnetic Stripe Cards	3,00,00,000	
Plastic Cards	-	

b) Turnover, Closing & Opening Stocks

Turnover	2007-08		2006-07	
	No.	Rs. In lacs	No.	Rs. In lacs
Hardware (Nos)	214490	2469.07	1523	868.75
Solutions	4756	6433.96	506	5480.80
Card Sales	-	9323.24	-	-
Consumables/Others	-	104.14	-	-
Total	-	18330.41	-	6349.55
Opening Stock				
Hardware (Nos)	16649	120.24	548	56.37
Solutions	82	705.07	98	584.09
Consumables/Others	-	-	-	1.46
Total	-	825.31	-	641.93
Closing Stock				
Hardware (Nos)	18781	127.92	16649	120.24
Solutions	149	1090.28	82	705.07
Raw Materials (nos/kgs)	153911	132.34	-	-
Finished Goods	68000	1.36	-	-
Consumables/Others	-	7.63	-	-
Total	-	1359.53	-	825.31



c) CIF value of imports:

(Rs. In lacs)

	2007-2008	2006-2007
Raw Materials, Finished Goods & Accessories	4919.89	2455.51

d) Expenditure in foreign currency:

	2007-2008	2006-2007
Travelling	22.78	24.58

e) Earning in Foreign Currency:

	2007-2008	2006-2007
FOB Value of Exports	6433.96	3226.42

12. Confirmation of balances from certain creditors and assets are subjected to confirmation.

13. Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

For **YAJI ASSOCIATES**
Chartered Accountants
Sd/-
(A.P.P. KASIPATI)
Partner
M.No.19442

For & on behalf of the Board

Sd/- Sd/-
SUDHIR RAO **T. VENKATESWARA RAO**
Managing Director Whole Time Director (Finance)

Sd/-
FAHIM ASLAM KHAN
Company Secretary

Place: Hyderabad
Date: 02-09-2008



AUDITORS REPORT

TO THE MEMBERS OF BARTRONICS INDIA LIMITED

We have audited the attached Consolidated Balance Sheet of M/s Bartronics India Limited and its subsidiaries as at March 31, 2008 and also the Consolidated Profit and Loss Account of the Company along with the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's management and our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of accounting standard 21 "Consolidated Financial Statements" read with Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Statements" issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Bartronics India Limited, Hyderabad and its 100% subsidiaries – Bartronics Asia Pte Ltd., Singapore & Bartronics America Inc, Delaware, USA.

In our opinion, and based on our audit and subject to the report of Management, the consolidated financial statements referred to above give a true and fair view of the financial position of Bartronics India Limited and its subsidiaries as at 31st March, 2008 and of the results of their operations and their cash flows for the year ended in conformity with the accounting principles generally accepted in India.

for Yaji Associates
Chartered Accountant
Sd/-
A.P.P. KASIPATI
Partner
M.No.19442

Place : Hyderabad
Date : 02.09.2008



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	Schedule No.	AS AT 31.03.08 Rs.	AS AT 31.03.07 Rs.
SOURCE OF FUNDS			
Share Capital	1	265,351,240	178,190,780
Convertible Warrants		-	60,190,000
Reserves & Surplus	2	2,479,365,635	997,843,633
Secured Loans	3	602,215,461	91,195,268
Unsecured Loans (FCCB)	4	2,528,105,000	-
Deferred Tax Liability	5	41,300,000	17,960,000
TOTAL		5,916,337,336	1,345,379,681
APPLICATION OF FUNDS			
Fixed Assets	6		
- Gross Block		2,658,552,616	165,905,513
- Less: Depreciation		91,404,463	49,452,513
- Net Block		2,567,148,153	116,453,000
Capital work-in-progress		1,192,954,006	109,126,245
Current Assets, Loans & Advances	7	2,641,029,987	1,516,933,815
Less: Current Liabilities & Provisions	8	499,920,094	413,255,299
Net Current Assets		2,141,109,893	1,103,678,516
Miscellaneous Expenditure (to the extent not written off)	9	15,125,283	16,121,920
TOTAL		5,916,337,336	1,345,379,681
Significant Accounting Policies & Notes to the Accounts	15		

As per our report of even date

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

For & on behalf of the Board of Directors

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2008**

(Amount in Rs)

PARTICULARS	Schedule No.	31.03.2008 Rs.	31.03.2007 Rs.
I INCOME			
Sales (net of returns)			
Domestic (Net)		2,064,818,508	312,312,243
Exports		643,396,060	322,642,942
Other Income	10	11,403,807	9,450,927
TOTAL		2,719,618,374	644,406,112
II EXPENDITURE			
Cost of Goods Sold	11	1,862,489,361	413,661,484
Employee Remuneration & Benefits	12	92,144,176	24,838,186
Administrative, Selling and Other Expenses	13	104,799,461	24,533,886
Interest	14	39,590,681	16,732,526
Depreciation	6	32,399,439	16,844,767
Miscellaneous Expenses Written Off		3,716,869	89,000
TOTAL		2,135,139,988	496,699,849
Profit Before Tax		584,478,387	147,706,263
Provision for Taxation			
- Current		86,291,900	9,000,000
- Deferred		23,340,000	3,725,000
- Fringe Benefit		377,188	425,000
Profit After Tax		474,469,299	134,556,263
Balance brought forward from Previous Year		381,394,948	72,846,717
Balance Carried to Balance Sheet		855,864,247	207,402,980
Earnings per Share			
Basic EPS		24.51	9.07
Diluted EPS		15.14	6.91

As per our report of even date

For & on behalf of the Board of Directors

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director(Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008 (Amount in Rs)

Particulars	2007-08	2006-07
Cash Flow From Operations		
Net Profit Before Tax	584,478,387	147,706,263
Adjustment for Depreciation	32,399,439	16,844,767
Non Cash Expenses Written off	3,716,869	89,000
Financial Expenses	39,590,681	16,732,526
Interest Earned & Other Income	(11,403,807)	(9,450,927)
Operating Profit Before Working Capital Changes	648,781,569	171,921,629
Adjustments for :		
Decrease / (Increase) in Inventories	(421,809,510)	(18,339,144)
Decrease / (Increase) in Debtors	(71,076,448)	(557,271,280)
Decrease / (Increase) in Loans & Advances	(468,309,793)	(692,908,849)
(Decrease) / Increase in Current Liabilities	(4,293)	333,356,499
Cash Generated from Operations	(312,418,475)	(763,241,145)
Other Income	11,403,807	9,450,927
Cash from Operating Activities (I)	(301,014,668)	(753,790,218)
Cash from Financial Activities		
(Decrease) / Increase in Share Capital	87,160,460	32,500,000
(Decrease) / Increase in Share Application Money	(60,190,000)	60,190,000
(Decrease) / Increase in Share Premium	833,060,735	325,000,000
(Decrease) / Increase in Unsecured Loans	2,528,105,000	-
(Decrease) / Increase in Working Capital Loans	308,598,624	8,411,702
(Decrease) / Increase in Long Term Borrowings	202,421,569	(402,744)
Financial Charges	(39,590,681)	(16,732,526)
Net Cash Flow From Financial activities (II)	3,859,565,707	408,966,432
Cash From Investing Activities		
Decrease / (Increase) in Fixed Assets - Net	(2,492,647,103)	(47,293,662)
Decrease / (Increase) in Investments - Net	-	-
Decrease / (Increase) in Capital Work In Progress	(1,083,827,761)	51,953,699
Decrease / (Increase) in Miscellaneous Expenditure	(2,720,232)	(15,971,670)
Others	183,544,478	-
Cash Used in Investment Activities (III)	(3,395,650,617)	(11,311,633)
Net Increase in Cash and Cash Equivalent (I+II+III)	162,900,423	(356,135,419)
Cash & Cash Equivalents at beginning of the Year	2,033,909	358,169,328
Cash & Cash Equivalents at end of the Year	164,934,332	2,033,909

As per our report of even date

For & on behalf of the Board of Directors

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary

Auditors Certificate

We have examined the attached Cash Flow Statement of Bartronics India Limited derived from the audited financial statements for the year ended 31 st March, 2008. The Statement has been prepared by the Company in accordance with requirement of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report of 02.09.2008 to the Members of the Company.

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Amount in Rs)

	AS AT 2007-2008	AS AT 2006-2007
SCHEDULE I : SHARE CAPITAL		
AUTHORISED		
6,00,00,000 Equity Shares of Rs.10/- each (Previous Year 3,00,00,000 Equity Shares of Rs. 10/. Each)	600,000,000	300,000,000
ISSUED, SUBSCRIBED & PAID UP	265,351,240	178,190,780
2,65,35,124 Equity Shares of Rs.10/- each fully paid. (Previous year 1,78,19,078 Equity Shares of Rs. 10/- each)		
Notes :		
1. 34,46,046 Equity Shares of Rs 10/- each fully paid up were allotted during the year on conversion of Foreign Currency Convertible Bonds (FCCB).		
2. 6,40,000 Equity Shares of Rs 10/- each allotted during the year to the Managing Director under ESOS - 2007		
3. 46,30,000 Equity Shares of Rs 10/- each allotted during the year on conversion of Warrants.		
TOTAL	265,351,240	178,190,780
SCHEDULE 2 : RESERVES & SURPLUS		
1. SECURITIES PREMIUM ACCOUNT		
Opening Balance	790,440,653	465,440,653
Add: Premium on conversion of 115 FCCB into 34,46,046 Equity Shares @ Rs.130/-	447,986,030	—
Add : Premium collected on issue of 32,50,000 equity shares of @ Rs 100/- each	—	325,000,000
Add : Premium on conversion of 46,30,000 convertible warrants @ Rs 120/- per Equity Share	555,600,000	—
SUB TOTAL	1,794,026,683	790,440,653
Less: Issue Management Expenses	103,728,042	—
Less : Interest on FCCB	66,797,253	—
SUB TOTAL	170,525,295	—
TOTAL	1,623,501,388	790,440,653
2. Profit & Loss Account	855,864,247	207,402,980
TOTAL (1 + 2)	2,479,365,635	997,843,633



SCHEDULE 3 : SECURED LOANS**TERM LOANS**

ABN Amro Bank	50,000,000	–
Indian Bank	152,622,649	–
Hire Purchase Finance from Banks	224,532	827,612
Hire Purchase Finance from Others	402,000	–

TOTAL TERM LOANS **203,249,181** **827,612**

WORKING CAPITAL LOANS

Bank of Baroda	98,061,369	90,367,656
Standard Chartered Bank	100,904,911	–
Exim Bank	200,000,000	–
(Refer schedule 15 - II - 4)		

TOTAL **602,215,461** **91,195,268**

SCHEDULE 4 : UNSECURED LOANS

Foreign Currency Convertible Bonds Issued During the Year (Refer Schedule 15 - II - 2)	2,996,500,000	–
--	---------------	---

TOTAL **2,996,500,000** **–**

Less: Converted into Equity Shares during the Year 468,395,000 –

TOTAL **2,528,105,000** **–**

SCHEDULE 5 : DEFERRED TAX

Opening Balance on Timing Difference - Depreciation	17,960,000	14,235,000
Add: Timing Difference on Depreciation for the year	23,340,000	3,725,000

TOTAL **41,300,000** **17,960,000**

Schedule - 6 : Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening as on 01.04.07	Additions	Deletions	Closing as on 31.03.08	As on 01.04.07	During the year	Deletions	As on 31.03.08	As on 31.03.08	As on 31.03.07
LAND	1,951,491	5,876,580	1,951,491	5,876,580	-	-	-	-	5,876,580	1,951,491
BUILDINGS	11,006,107	13,770,237	-	24,776,344	732,836	211,410	-	944,245	23,832,099	10,273,271
PLANT AND MACHINERY	24,575,862	344,142,196	-	368,718,059	6,262,390	5,743,994	-	12,006,384	356,711,675	18,313,472
ELECTRICAL INSTALLATION	402,422	10,066,407	-	10,468,829	155,736	264,877	-	420,612	10,048,217	246,686
COMPUTERS	107,076,400	147,590,322	-	254,666,722	36,114,998	23,857,567	-	59,972,565	194,694,157	70,961,402
FURNITURE & FIXTURES	9,177,278	7,257,881	-	16,435,159	3,545,638	597,601	-	4,143,440	12,291,719	5,631,439
VEHICLES	11,715,953	2,736,645	-	14,452,598	2,640,714	1,116,368	-	3,757,082	10,695,516	9,075,239
LEASE HOLD IMPROVEMENTS	-	1,963,158,326	-	1,963,158,326	9,552,510	607,624	-	10,160,134	1,952,998,192	-
T O T A L	165,905,513	2,494,598,594	1,951,491	2,658,552,617	59,005,022	32,399,439	-	91,404,462	2,567,148,155	116,453,000
PREVIOUS YEAR FIGURES	118,611,851	47,293,662	-	165,905,513	32,607,746	16,844,767	-	49,452,513	116,453,000	86,004,105
CAPITAL WIP	109,126,245	1,194,571,544	110,743,783	1,192,954,006	-	-	-	-	1,192,954,006	109,126,245



SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES

A) CURRENT ASSETS		
INVENTORIES		
- Raw Materials	13,944,947	-
- Finished Goods	490,396,497	82,531,934
SUNDRY DEBTORS		
(Unsecured Considered Good)		
Due for a period exceeding 6 Months	43,615,860	64,790,443
Other Debts	754,621,339	662,370,308
CASH ON HAND	107,736	21,478
BALANCE WITH SCHEDULED BANKS		
- Current Accounts	162,969,755	162,321
- Deposit Accounts	1,856,841	1,850,110
(Under lien to Banks)		
TOTAL	1,467,512,975	811,726,594
B) LOANS & ADVANCES		
(Unsecured, considered good recoverable in cash or Kind)		
Advances to Suppliers	1,065,325,507	684,032,370
Deposits	15,527,446	11,120,884
Advance Tax & TDS	1,185,642	2,370,091
Other Current Assets	91,478,417	7,683,874
TOTAL	1,173,517,012	705,207,220
GRAND TOTAL	2,641,029,987	1,516,933,814

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS

A) SUNDRY CREDITORS		
For Goods, Services and Expenses	286,256,010	385,737,791
Advances Received from Customers	31,387,778	2,844,726
Other Liabilities	16,469,001	9,864,873
Interest Accrued but not due on Loans	66,797,253	-
TOTAL	400,910,041	398,447,390
B) PROVISIONS		
Provision for Taxation	95,542,566	12,060,863
Gratuity	1,395,917	1,307,032
Leave Encashment	2,071,570	1,440,014
TOTAL	99,010,053	14,807,909
GRAND TOTAL	499,920,094	413,255,299

SCHEDULE 9 : MISCELLANEOUS EXPENSES

Opening Balance	16,121,920	239,250
Add : Additions during the year	2,720,232	15,971,670
SUB - TOTAL	18,842,152	16,210,920
Less : Written off for the year	3,716,869	89,000
TOTAL	15,125,283	16,121,920

SCHEDULE 10 : OTHER INCOME

Interest	1,937,730	1,434,117
Commission	435,509	211,074
Exchange Fluctuation (Gain)	-	480,291
Other Income	82,058	7,325,445
Profit on sale of Asset	8,948,510	-
TOTAL	11,403,807	9,450,927



SCHEDULE 11 : COST OF GOODS SOLD

Opening Stock	82,531,934	64,192,790
Add : Purchases	2,284,298,871	432,000,628
Less : Closing Stock	504,341,444	82,531,934
TOTAL	1,862,489,361	413,661,484

SCHEDULE 12 : EMPLOYEES REMUNERATION & BENEFITS

Salaries, Wages & Bonus	78,347,571	16,910,677
Contribution to Provident Fund & ESI	787,824	792,699
Directors Remuneration	8,053,143	2,270,640
Staff Welfare Expenses	3,817,639	3,940,496
Gratuity	435,039	923,674
Leave Encashment	702,960	-
TOTAL	92,144,176	24,838,186

SCHEDULE 13 : ADMINISTRATIVE & SELLING EXPENSES

Advertisement	87,044	504,324
Commission on Sales	3,524,020	4,000
Directors Travelling	310,813	-
Discount	3,832,727	-
Electricity Charges	2,006,022	576,408
Exchange Fluctuation Loss	12,547,954	-
Insurance	4,109,091	1,201,489
Postage, Telegrams & Telephones	5,055,883	1,559,859
Printing & Stationery	7,274,720	765,352
Professional Fees	15,194,804	2,876,148
Rates, Taxes & Fees	7,039,189	1,990,350
Rent	12,858,814	4,288,229
Repairs & Maintenance	2,209,594	691,069
Sales Promotion	5,797,704	2,361,589
Sitting Fees	6,000	-
Travelling & Conveyance	15,476,272	6,010,258
Other Expenses	7,468,810	1,704,811
TOTAL	104,799,461	24,533,886

SCHEDULE 14 : INTEREST & FINANCIAL CHARGES

Interest - Term Loan	13,149,786	2,192,348
Interest - Cash Credit	19,827,538	10,888,860
Interest - Others	4,045,015	350,000
Bank Charges	2,568,343	3,301,318
TOTAL	39,590,681	16,732,526



Schedule 15 - SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Principles of consolidation

The consolidated Financial Statements relate to Bartronics India Limited and its subsidiary Companies (Group). The consolidated Financial Statements have been prepared on the following basis:

- a) The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
 - b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
 - c) The difference between the cost of Investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the Financial Statements as Goodwill or Capital Reserve as the case may be.
 - d) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognized in the consolidated statement of Profit and Loss account as exceptional item being the profit or loss on disposal of investment in subsidiary.
 - e) Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
 - f) Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.
 - g) As far as possible, the consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate Financial Statements.
2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 “Accounting for Investments”.
3. Other significant accounting policies
- These are set out under “Significant Accounting Policies” as given in the Standalone Financial Statements of Bartronics India Limited.

II. OTHER NOTES ON CONSOLIDATED ACCOUNTS

1. The Subsidiary Companies considered in the consolidated Financial Statements are:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership interest
Bartronics Asia Pte Ltd	Singapore	100%
Bartronics America Inc	U.S.A	100%

2. The Parent Company raised US\$ 25 Million (Bonds of US\$ 100000 each) on 09.06.2007 bearing coupon rate of 7.25%p.a and US\$ 50 Million (Bonds of US\$ 100000 each) on 04.01.2008 bearing coupon rate of 6.65% p.a by way of Foreign Currency Convertible Bonds (FCCB). Bond holders have an option to convert each bond of US\$ 100000 in to Equity Shares of Rs. 10/- each at the conversion price of Rs. 140/- in respect of the first issue of US\$25 Million and at the conversion price of Rs. 290/- in respect of second issue of US\$ 50 Million. During the year 3446046 Equity Shares were allotted out of the first issue of FCCB consequent to conversion of 115 bonds aggregating to US\$ 11.5 Millions. The balance bonds unless previously converted will be redeemed on 3rd June 2012 in respect of first issue of FCCB and on 4th February, 2013 in respect of second issue of FCCB.



3. Contingent Liability of Parent Company

(Amount Rupees in Lakhs)

Particulars	2007-2008	2006-2007
Bank Guarantees availed from Banks	82.21	4.90
Letter of credit issued by Banks	737.72	-

4. Secured Loans of Parent Company

- 4.1 Term Loan from ABN Amro Bank is secured by Plant and Machinery purchased out of the said Term Loan.
- 4.2 Term Loan from Indian Bank is secured by Equitable mortgage created on the immovable property of the Company at Raj Bollaram village, and further secured by Goods, produce, Merchandise, stock stored, to be stored in the premises of the Company at Raj Bollaram.
- 4.3 Working capital loans from Banks are secured by entire current assets and movable fixed assets of the Company both present and future, and further secured by Personal guarantee of the Directors.
- 4.4 Hire Purchase loans are secured by the assets purchased out of the said loan.

5. Taxation Relating to Parent Company

Various Components of Deferred tax assets and Deferred tax Liabilities as at 31/03/2008 and 31/03/2007 of the Parent Company are given below:-

Amt in Rs.in Lakhs

Particulars	As at 31.3.2008	As at 31.3.2007
Deferred Tax Liability		
- On account of timing differences (A)	413.00	179.60
Deferred Tax Assets (B)		
Net Deferred Tax Liability (A-B)	413.00	179.60
Deferred tax liability charged to profit and loss account.	233.40	37.25

5. SEGMENT REPORTING

- a) The Group is principally engaged in single business segment Viz., the business of providing Automatic Identification and Data Capture (AIDC) solutions and the revenue attributable to locations of customers is as follows:

b) Geographic Segment

	2007 - 08	(Rs in Crores) 2006 - 07
1. Geographic Location		
- Within India	183.30	63.50
- Outside India	87.52	Nil
Total Revenue	270.82	63.50
2. Segment Assets		
- Within India	131.15	151.69
- Outside India	132.95	Nil
Total Assets	264.10	151.69
3. Segment Liabilities		
- Within India	34.57	41.33
- Outside India	15.42	Nil
Total Liabilities	49.99	41.33
4. Capital Expenditure		
- Within India	178.58	22.56
- Outside India	197.43	Nil
Total Capital Expenditure	376.01	22.56



7. RELATED PARTY DISCLOSURE

Key Management Personnel

Mr Sudhir Rao	–	Managing Director
Mr T Venkateswara Rao	–	Whole Time Director (Finance)
Relatives of Key Management Personnel	-	Nil

Other related parties with whom transactions have taken place during the year.

Subsidiary Companies

Bartronics Asia Pte Ltd
Bartronics America Inc

(Amount Rupees in Lakhs)

Particulars	Key Management Personnel	
	2007-08	2006-07
Remuneration paid	80.69	22.84
Subscription of Equity Shares	NIL	NIL
Advances made during the year	NIL	NIL
Balance outstanding as at the year end		
Investment in Shares	NIL	NIL
Advances outstanding	NIL	NIL

8. Earnings per share

(Amount Rupees in lakhs)

Particulars	Year Ended	Year Ended
	31.3.2008	31.3.2007
Profit attributable to Equity Shareholders -(A)	4744.69	1345.56
Weighted average number of Equity Shares outstanding during the year (B)	19356525	14827297
Nominal value of Equity Shares	10.00	10.00
Basic earnings per Share (A/B) Rs.	24.51	9.07
Diluted Earnings per share	15.14	6.91

9. Confirmation of balances from certain creditors and assets are subjected to confirmation.

10. Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

As per our report of even date

For YAJI ASSOCIATES

Chartered Accountants

Sd/-

A.P.P. KASIPATI

Partner

M.No.19442

Place : Hyderabad

Date : 02.09.2008

For & on behalf of the Board of Directors

Sd/-

SUDHIR RAO

Managing Director

Sd/-

T. VENKATESWARA RAO

Whole Time Director (Finance)

Sd/-

FAHIM ASLAM KHAN

Company Secretary



INFORMATION PURSUANT TO PART IV OF SCHEDULE V OF THE COMPANIES ACT 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S
GENERAL BUSINESS PROFILE**

1. Registration Details

Registration No. : 1 1 7 2 1 State Code : 0 1
Balance Sheet : 31 03 2008
Date Month Year

2. Capital Raised During The Year (Amount Rs. In thousands)

Public Issue NIL Rights Issue NIL
Bonus Issue NIL Private Placement NIL

3. Position of Mobilisation and deployment of funds (amount Rupees in thousands)

Total Liabilities 5,595,206 Total Assets 5,595,206

Sources of Funds

Paid – Up Capital 265,351 Reserves & Surplus 2,158,234
Secured Loans 602,215 Unsecured loans 2,528,105

Application of Funds

Net Fixed Assets 1,785,813 Investments 20,498
Net Current Assets 3,774,027 Misc. Expenditure 14,867
Accumulated Losses NIL

4. Performance of the Company (Amount Rupees in thousands)

Turn Over 1,833,041 Total Expenditure 1,434,067
Profit Before Tax 410,377 Profit After Tax 327,330
Earning Per Share 16.91 Dividend Rate % NIL

(Weighted Average)

5. Generic Names of Principal Products/ Services of the Company (As per Monetary Items)

Item Code No. (ITC Code) N.A.
Item Code No. Computer Software

BARTRONICS INDIA LIMITED

Regd Office: 5-9-22/B/404, My Home Sarovar, Secretariat Road, Hyderabad – 500 004.

ATTENDANCE SLIP

Seventeenth Annual General Meeting of the members of the Company will be held on Monday, 29th day of September, 2008 at 11.00 A.M. at Sundaraiah VignanaKendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad- 500 044

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

Name of the Member.	Folio No/Client ID & DP ID	No of Shares held.
----------------------------	---------------------------------------	---------------------------

_____	_____	_____
-------	-------	-------

I hereby record my presence at the **17th Annual General Meeting** of the members of the company at the premises of Sundaraiah VignanaKendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad-500044

Signature of the Shareholder or the Proxy attending the meeting	
If member, Please sign Below	If proxy please sign Below

.....TEAR OFF HERE.....

BARTRONICS INDIA LIMITED

Regd Office: 5-9-22/B/404, My Home Sarovar, Secretariat Road, Hyderabad – 500 004.

PROXY FORM

Folio No/Client ID & DP ID

I/We.....

of.....

being a member (s) of the Company hereby appoint
.....of.....

or failing him.....of.....



As my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the members of the Company to be held on Monday, 29th day of September, 2008 at Sundaraiah VignanaKendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad- 500 004 and at any adjournment thereof.

As witness my /our hand(s) thisday of.....2008.

NOTE: The Proxy form must be deposited at the Registered Office of the Company, at least 48 hours before the time of holding the Meeting.



BARTRONICS INDIA LIMITED

17TH

ANNUAL REPORT

2007 – 2008

BARTRONICS

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CONTENTS

Corporate Information	1
Notice	2
Directors Report	10
Management Discussion and Analysis Report	20
Report on Corporate Governance	25
Auditors Report	37
Balance Sheet	40
Profit & Loss Account	41
Cash Flow Statement for the period ended 31st March 2008	42
Auditors Certificate for Cash Flow Statement	42
Schedules	43
Auditors Report - Consolidated Balance Sheet	53
Consolidated Balance Sheet	54
Consolidated Profit & Loss Account	55
Consolidated Cash Flow Statement	56
Auditor's Certificate for Cash Flow Statement	56
Schedules - Consolidated Balance Sheet	57
Balance Sheet Abstract and Company's General Profile	65