



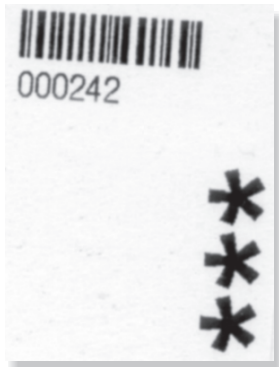
Bartronics India Limited



Annual Report



2008-2009



Contents

	Page No.
Corporate Information	2
Notice	3
Directors Report	10
Management Discussion and Analysis Report	14
Report on Corporate Governance	25
Auditors Report	37
Balance Sheet	41
Profit and Loss Account	42
Cash Flow Statement for the period ended 31st March 2009	43
Schedules	45
Auditors Report – Consolidated Balance Sheet	67
Consolidate Balance Sheet	68
Consolidated Profit and Loss Account	69
Consolidated Cash Flow Statement	70
Schedules to Consolidated Balance Sheet and Profit & Loss Account	72
Balance Sheet Abstract and Company's General Profile	103

CORPORATE INFORMATION

Board of Directors	: Mr. Sudhir Rao, Managing Director Mr. S. Tirumala Prasad, Whole Time Director Mr. T. Venkateswara Rao, Whole Time Director Mr. A.B. Satyavas Reddy, Director Mr. B. Narayanswamy, Independent Director Mr. Y.R. Rao, Independent Director Mr. R.V. Panchapakesan, Independent Director Mr. M.M. Yesaw, Independent Director
Management Committee	: Mr. Sudhir Rao, Chairman Mr. S. Tirumala Prasad, Member Mr. T. Venkateswara Rao, Member Mr. R.V. Panchapakesan, Member
Audit Committee	: Mr. R.V. Panchapakesan, Chairman Mr. Y.R. Rao, Member Mr. B. Narayanswamy, Member Mr. A.B. Satyavas Reddy, Member
Remuneration/ Compensation Committee	: Mr. R. V. Panchapakesan, Director Mr. Y.R. Rao, Member Mr. B. Narayanswamy, Member Mr. A.B. Satyavas Reddy, Member
Share Transfer Committee	: Mr. A.B. Satyavas Reddy, Chairman Mr. Sudhir Rao, Member Mr. B. Narayanswamy, Member Mr. R.V. Panchapakesan, Member
Company Secretary and Compliance Officer	: Mr. Fahim Aslam Khan

Registered Office

5-9-22/B/503, 5th Floor, My Home Sarovar,
Secretariat Road, Saifabad, Hyderabad – 500063

Internal Auditors

Messrs T. Raghavendra & Associates
Chartered Accountants

Auditors

Messrs Deloitte Haskins & Sells
Chartered Accountants
1-8-384 & 385, 3rd Floor, Gowra Grand, S.P. Road,
Begumpet, Secunderabad – 500003

Listing

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Bankers

Andhra Bank
Axis Bank
Bank of Baroda
Bank of India
Barclays Bank Plc
Exim Bank
Indian Bank
IDBI Bank Limited
HSBC Bank Limited
Standard Chartered Bank

Registrars and Share Transfer Agents

Bighshare Services Private Limited
E – 23, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai -400072
Tel: 022-2847 0652, Fax : 022-28475207

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Eighteenth Annual General Meeting** of the members of the Company will be held on **29th Day of September 2009, at 11.00 A.M. at Hotel Sitara Residency, Banquet Hall, 5th floor, Beside Big Bazar, Ameerpet Main Road, Hyderabad - 500 016** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 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 declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. B. Narayanswamy who retires by rotation and who being eligible offers himself for re- appointment.
4. To re- appoint Messers Deloitte Haskins & Sells, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. R.V.Panchapakesan who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 29.09.2008 and who holds 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 a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 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 as Director of the Company, who shall be liable to retire by rotation."

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

"RESOLVED THAT Mr. M.M. Yesaw who was appointed as an Additional Director of the

Company by the Board of Directors at their meeting held on 29.09.2008 and who holds 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 a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 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 as Director of the Company, who shall be liable to retire by rotation."

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

"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 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 to re- appoint Mr. Sudhir Rao, who shall not be liable to retire by rotation, as Managing Director of the Company, for a period of Five Years with effect from 21st August, 2009 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 Board) but subject to the restrictions, if any, contained in the Companies Act, 1956 and Schedule XIII of the said Act as amended up to date or otherwise as may be permissible by law."

"RESOLVED FURTHER THAT, consent of the members be and is hereby accorded to fix the remuneration of Mr. Sudhir Rao at Rs. 7,00,000 per month as detailed below:

Details	Amount Per Annum (Rs.)
Basic Salary	37,80,000
Allowances	44,28,822
Perquisites	1,91,178
Total	84,00,000

"**FURTHER RESOLVED THAT** the total Remuneration payable to Mr. Sudhir Rao, 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 Managing Director in accordance with the applicable provisions of Schedule XIII of Companies Act, 1956 and subject to the approval of the Central Government, if any required."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the above resolutions."

8. **To consider and if thought fit to pass with or without modification(s) the following resolutions as Special Resolutions:**

"**RESOLVED THAT**, subject to the provisions of Section 49, 144, 163, 196, 301, 304, 307 and 372A of the Companies Act, 1956 and subject to the approval of shareholders at General Meeting the register and records required to be maintained under various provisions of the Companies Act, 1956 shall be available for inspection as follows:

(A) Inspection of the Register of Investments not held in the name of the Company.

The above referred register kept in pursuance of Section 49(7) of the Companies Act, 1956, shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open, for inspection of any member or debenture holder of the Company, without fees between 2.00 P.M. to 4.00 P.M. on any working day
- (3) Any member or creditor desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which the notice is received by the Company.

(B) Inspection of the Register of Charges

The Register of Charges kept in pursuance of Section 143 of the Companies Act, 1956, shall

- (1) be kept at the Registered of the Company and;
- (2) be open, for inspection of any creditor or member of the Company ,without fees between 2.00 P.M. to 4.00 P.M. on any working day;
- (3) Any member or creditor desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which the notice is received by the Company.

(C) Inspection of Register of Members, Debenture Holders and Annual Returns of the Company

In terms of Section 163 of the Companies Act, 1956 the above referred registers and Annual Returns shall

- (1) be kept at the Office of the Registrar and Share transfer Agents of the Company and ;
- (2) be open for inspection by any member/debenture holder of the Company, without fees between 2.00 P.M. to 4.00 P.M. on any working day;
- (3) Any member desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which the notice is received by the Company.

(D) Inspection of Minute Books of General Meeting

The books containing minutes of proceedings of any general meeting of the Company maintained under Section 193 of the Companies Act, 1956, shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open, on any working day between 2.00 P.M. to 4.00 P.M. for inspection of any member of the company.

- (3) Any member desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which notice is received by the Company.

(E) Inspection of Register of Contracts

The Register of Contracts maintained under Section 301(1) of the Companies Act, 1956 shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open, on any working day between 2.00 P.M. to 4.00 P.M. for inspection of any member of the Company;
- (3) Any member desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which notice is received by the Company.

(F) Inspection of the Register of Directors

The Register of Directors maintained under Section 303 shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open, on any working day between 2.00 P.M. to 4.00 P.M. for inspection of any member of the Company;
- (3) Any member desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which notice is received by the Company.

(G) Register of Directors Shareholding

The Register of Director's shareholding maintained under Section 307 shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open for inspection during the period beginning fourteen days before the date of the Company's annual

general meeting and ending three days after the date of its conclusion, between 2.00 P.M. to 4.00 P.M. of any member of the Company.

(H) Register of loans made, guarantees given or securities provided to companies and investments in shares and debentures of other Companies (Sec.372 (A))

The above referred register shall

- (1) be kept at the Registered Office of the Company and ;
- (2) be open, on any working day between 2.00 P.M. to 4.00 P.M. for inspection of any member of the Company;
- (3) Any member desirous of inspection shall cause a notice for inspection to be given to the Company. Such notice shall be of seven clear days commencing from the day next after the day on which notice is received by the Company.

"RESOLVED FURTHER, that in respect of all the above inspections, any member shall be entitled to inspect only once over a time span of one month." include the following resolution.

9. To consider, and if thought fit, to pass with or without modification(s) the following resolutions as 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 modifications or re-enactment thereof for the time being in force), the existing Article 73 be and is hereby replaced by the following new Article:

Subject to the provisions of Section 198, 309 and 310 of the Companies Act, 1956, the remuneration payable to the Directors of the Company may be as hereinafter provided. The remuneration only by way of fee for each meeting of the Board or a Committee thereof attended by any Director shall be such sum as may be determined by the Board but not exceeding the amount as may be prescribed from time to time by the Central Government. Provided that if the remuneration so determined exceeds the amount prescribed by the Central Government then the approval of the Central Government shall be obtained."

Notes:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. 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 in order to be effective must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 11.00 A.M. on 27.09.2009
3. Corporate members are requested to send a duly certified copy of Board Resolution, pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting .
4. Members /proxies should bring duly filled attendance slips sent herewith for attending the meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client Id and DP Id numbers for easy identification and attendance at the meeting.
6. The Register of Members and Share Transfer Books will remain closed from 24th September, 2009 to 29th September, 2009 (Both days inclusive).
7. Subject to the provisions of Section 206A of the Companies Act, 1956, Dividend as Recommended by the Board of Directors, if declared at the Meeting, will be payable on or after 4th October, 2009 to the members whose name appears in the Register of Members as on 24th September, 2009.
8. a) Members holding shares in electronic form may please note that their bank account details as furnished by the respective depositories to the Company will be printed on the dividend warrant as per the applicable regulations of the depositories and the Company will not entertain any direct requests from such members for deletion of change in such bank account details. Members may therefore give instructions regarding bank account details to their depository participant.
 - b) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, M/s Bigshare Services Private Limited under the Signature of the sole /first joint holder, the following information to be incorporated on dividend warrants:
 - i) Name of the sole/first joint holder and folio number
 - ii) Particulars of Bank Accountant, viz;
Name of the Bank
Name of the Branch
Complete Address of the Bank with Pin Code Number
Account Type, whether, Saving Account (SA) or Current Account (CA), Account Number.
9. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents - Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400072.
10. Shareholders of the Company are informed that pursuant to the Companies Act, 1956 the amount of dividend which remains unclaimed/unpaid for a period of 7 years would be transferred to the Investor Education and Protection Fund constituted by the Central Government and the shareholders would not be able to claim any amount of the dividend so transferred to the Fund. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Fahim Aslam Khan, Company Secretary at the Company's Registered Office at for further particulars.

By Order of the Board
For **BARTRONICS INDIA LIMITED**

Sd/-

SUDHIR RAO
Managing Director

Place: Hyderabad
Date : 02.09.2009

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

Item No. 5

Mr. R.V. Panchapakesan was co-opted as an Additional Director of the Company with effect from September 29, 2008 pursuant to Section 260 of the Companies Act, 1956 read with Article 63 of the Articles of Association of the Company. Mr. R.V. Panchapakesan holds office of Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. R.V. Panchapakesan for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors of the Company other than Mr. R.V. Panchapakesan are interested in this resolution.

The Board recommends the resolution set forth in Item No 5 for approval of the members.

Item No. 6

Mr. M.M. Yesaw was co-opted as an Additional Director of the Company with effect from September 29, 2008, pursuant to Section 260 of the Companies Act, 1956 read with Article 63 of the Articles of Association of the Company. Mr. M.M. Yesaw holds office of Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. M.M. Yesaw for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors of the Company other than Mr. M.M. Yesaw are interested in this resolution.

The Board recommends the resolution set forth in Item No. 6 for approval of the members.

Item No. 7

Mr. Sudhir Rao was appointed as Managing Director of by the Extraordinary General Meeting of the Company held on September 20, 2004. For a period of Five years. Keeping in view the vast experience and qualification of Mr. Sudhir Rao, it has been decided by the Board of Directors that subject to approval of the members Mr. Sudhir Rao be reappointed as Managing Director of the Company for a further period of five years.

Members of the Company at their Extra Ordinary General Meeting held on 25th February, 2008 had fixed the remuneration payable to Mr. Sudhir Rao to an amount of Rs. 84 lakhs P.A. Mr. Sudhir Rao is proposed

to be appointed at the same remuneration with effect from 21st August 2009. For a period of five years.

None of the Directors other than Mr. Sudhir Rao are interested in this resolution.

The Board recommends the resolution set forth in Item No. 7 for approval of the members.

Item No. 8

Section 49(8) of the Companies Act, 1956 provides that Register of Investments not held in Company's name kept in pursuance of Section 49(7) of Companies Act, 1956, shall be open for inspection of any member of the Company without any charge, during business hours, subject to reasonable restrictions as the Company may in general meeting impose, so that not less than two hours in each day are allowed for inspection.

Section 144(1) of the Companies Act, 1956 provides that Register of Charge kept in pursuance of Section 143, shall be open during business hours (but subject to such reasonable restriction as the Company in General Meeting may impose, so that not less than two hours each day are allowed for inspection) of any member of the Company without any fee, at the registered office of the Company.

Section 163 (2) of the Companies Act, 1956 provides that Register of Members, Debenture Holders and Annual Returns of the Company etc. maintained under Section 163(1) of the Companies Act, 1956, shall, except when the register of members or debenture holders is closed under the provisions of the Act, be open during business hours (subject to such reasonable restrictions, as the Company may impose, so that not less than two hours in each day are allowed for inspection) to inspection of any member or debenture holders, without fee.

Section 196(1) of the Companies Act, 1956 provides that the books containing the minutes of the proceedings of any general meeting of the Company shall be kept at the Registered Office of the Company and be open for inspection during business hours, to inspection of any members without charge, subject to such reasonable restrictions as the Company may, in the general meeting impose, so however not less than two hours in each day are allowed for inspection.

Section 301(5) of the Companies Act, 1956 provides that Register of Contracts in which Directors are interested kept in pursuance of Section 301(1) of the

Companies Act, 1956 shall be kept the Registered Office of the Company and be open for inspection by any member of the Company and the provisions of Section 163 of the Companies Act shall be applicable to the said register i.e. the Company may put reasonable restriction by passing a resolution at a General Meeting, so that not less than two hours in each day are allowed for inspection to any member .

Section 304(1) of the Companies Act, 1956 provides that the Register of Directors maintained pursuant to Section 303 shall be open for inspection of any member of the Company without charge, during business hours subject to such reasonable restrictions as the Company may in general meeting impose, so that not less than two hours in each day are allowed for inspection.

Section 307(5) of the Companies Act, 1956 provides that the Register of Directors holdings in Shares and Debentures maintained under Section 307(1) of the Companies Act, 1956, kept at the registered office of the Company, shall be open to inspection during business hours (subject to such reasonable restrictions as the Company may, in general meeting impose, so that not less than two hours in each day are allowed for inspection).

Keeping in view the above mentioned legislative provisions and to create a transparent system for inspection of Register and Records maintained by the Company under Companies Act, 1956 the Board recommends the resolutions as set forth in Item No. 8 for approval of the Members.

None of the Directors of the Company are interested in these resolutions.

Item No. 9

Article 73 of the Articles of Association is proposed to be altered to make it more comprehensive in relation to sitting fee payable to Directors.

By Order of the Board
For **BARTRONICS INDIA LIMITED**

Place: Hyderabad
Date : 02.09.2009

Sd/-
SUDHIR RAO
Managing Director

Annexure to Notice- (Contd.)

Details of Directors Seeking Appointment/Re-Appointment at the 18th Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

1. **Mr. Sudhir Rao**

Mr. Sudhir Rao, aged about 43 has been associated with the Company for a period of over nine years. He joined the organization as Chief Marketing Officer responsible for Marketing and Sales functions of the Company a position he occupied for a brief period of Six months form June 2001 to December 2001. From January 2002 to August 2002 he held the position of Chief Operating officer responsible for operations of the Company including sales, finance, HR and Strategy.

Since 21st August 2002 Mr. Sudhir Rao has been continuously holding the position of Managing Director and is responsible for phenomenal growth and development of the Company.

Mr. Sudhir Rao, holds a Post Graduate Diploma in Management (P.G.D.M.) from the Indian Institute of Management, Ahmedabad, and a Bachelor's Degree in Economics and Advanced Accountancy from Osmania University, Hyderabad.

Mr. Sudhir Rao does not hold directorship in any other Company.

2. **Mr. B. Narayanswamy**

Mr. B. Narayanswamy, aged about 55 has been associated with the Company since 25th April 2005. Mr. B. Narayanswamy, has over 30 years of experience in different fields.

He holds a B.Tech from Algappa Chettiar College of Technology, University of Madras and holds a Masters Degree in Energy Technology (Renewable Source) from Asian Institute of Technology, Bangkok.

Mr. Narayanswamy has successfully establishment Joint Ventures, exclusive representations with renowned companies in USA, Europe and Japan in the area of Information Technology, Internet and Gateway Solutions etc. He as conceptualized and setup graphics and animation studio to cater to the growing markets of computer based multimedia applications and initiated, designed and implemented the multi module Management Information System from concept to commissioning for the complete operations of Companies, has been a member of the team to

develop and implement Information Technology System for Marketing and Sales on Global Scale, Streamlined Import Procedures and Policies to optimize the cost of imported raw materials.

The other Directorships held by Mr. B. Narayanswamy are as below:

1. Levana Consultants Private Limited
2. Platina Enterprise and Resorts Limited

3. Mr. R.V. Panchapakesan

Mr. R.V. Panchapakesan, aged about 68 was appointed on Board as an Additional Director on 29th September, 2008. He is a former General Manager of State Bank of India. As a banker he has over three decades of experience and has handled wide range of assignments in the State Bank, in commercial retail and investment banking spheres.

Post Retirement in 2001, Mr. Panchapakesan has been rendering project appraisal and financial advisory services for small and medium enterprises and has advised and assisted wide range of projects in various sectors.

Mr. Panchapakesan is a graduate in Commerce and a Certified Associate of Indian Institute of

Bankers. He had undergone professional training at the New York Institute of Finance in fixed income securities trading and in primary market debt issuance in UK and in Project Management at IIM, Ahmedabad.

Mr. R.V. Panchapakesan does not hold directorship in any other Company.

4. Mr. M.M. Yesaw

Mr. M. M. Yesaw aged about 63 was appointed on the Board as an Additional Directors with effect from 29th September, 2008. He started his career with Industrial Development Bank of India in 1972 and retired as a General Manager. During his employment with IDBI he was part of select pool of officers from which the Financial Institution appoints its nominee on Board of various assisted Companies. Therefore, he has worked as IDBI Nominee Director on Board of different Companies which also includes listed companies. Mr. Yesaw has vast and varied experience in banking domain.

Mr. Yesaw Holds a Msc. Degree.

Mr. Yesaw does not hold directorship in any other Company.

DIRECTOR'S REPORT

To The Members,

Your Directors have the pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the Financial Year ended on 31st March, 2009 comprising of twelve (12) months from 01.04.2008 to 31.03.2009.

STAND ALONE FINANCIAL RESULTS :

Rupees In Lacs, except Share Capital

Particulars	Year 2008-09	Year 2007-08	Growth %
Total Income	37604.71	18444.44	103.88
Total Expenditure	25835.06	13643.49	89.36
Operating Profit (EBITDA)	11769.65	4800.95	145.15
Interest	2184.84	378.96	476.53
Depreciation	2772.34	317.92	772.02
Profit Before Tax	6812.47	4103.77	66.00
Provision for Tax	795.67	593.30	34.10
Deferred Tax	1072.40	233.40	359.49
Fringe Benefit Tax	113.01	3.77	3428.11
Profit after Tax	4811.39	3273.30	46.99
Add: Profit B/F from previous year	5347.33	2074.03	—
Less : Adjustment towards employees benefit	6.20	—	—
Profit available for appropriation	10152.52	5347.33	89.86
Appropriation as under:			
Transfer to General Reserve	125.00	N.A.	N.A.
Proposed Dividend	301.66	N.A.	N.A.
Tax on Dividend	51.27	N.A.	N.A.
Balance C/F to next year	9674.59	5347.33	80.92

CAPITAL STRUCTURE

(A) Foreign Currency Convertible Bonds

Your Company, during 2006-07 and 2007-08 has successfully issued Foreign Currency Convertible Bonds (FCCBs) as under

Particulars	Year of Issue	Size of Issue (In Million US\$)
FCCB 2012	2006-07	25
FCCB 2013	2007-08	50

CONVERSION DETAILS

Conversion Period	Conversion Price per Eq. Share (Rs.)
FCCB 2012 (June 7, 2007 and June 11, 2011)	112.00
FCCB 2013 (January 09, 2008 and January 23, 2013)	232.00
No. of Shares Converted till March 31, 2009 out of FCCB 2012 issue	Outstanding FCCB's as on March 31, 2009 (In Million US\$)
5728378	6
No. of Shares Converted till March 31, 2009 out of FCCB 2013 issue	Outstanding FCCB's as on March 31, 2009 (In Million US\$)
Nil	50

The Foreign Currency Convertible Bonds (FCCB's) are listed on the Singapore Stock Exchange.

(b) Employees Stock Options (ESOPs)

During 2008-09, 1, 60,000 shares were allotted upon exercise of options under ESOS 2007. With this the entire 8,00,000 options granted under ESOS 2007 have been exercised.

5,49,805 Options Granted under ESOS 2008 to employees including directors of subsidiary companies were terminated by the Board upon surrender of the same by the option grantees.

34,236 Options Granted under ESOS 2008 to the employees including directors of Bartronics India Limited were terminated by the Board upon surrender of the same by the option grantees.

The details as required under Regulation 12 of Securities and Exchange Board of India (Employees Stock options and Employee Stock Purchase Scheme) Guidelines, 1999 are given in **Annexure-A**.

Changes to Share Capital

During the year under review the Issued Subscribed and Paid up Capital has increased by an amount of Rs. 24.42 Millions, from Rs. 265.35 Millions as on 1st April, 2008 to Rs. 289.77 Millions as on 31st March, 2009. This change in Issued, subscribed and paid up capital is attributed mainly due to allotment of Equity Shares against conversion of Outstanding Foreign Currency Convertible Bonds (FCCB's) and shares allotted under Employees Stock option Plan - 2007 on exercise of options granted under the same. The Authorized Share Capital of the Company stands at Rs. 600 Millions.

1. Dividend

Your Directors recommend a dividend of Re.1/- on fully paid equity shares of Rs. 10 each, for the year ended March 31, 2009. This will absorb Rs. 35.28 million (inclusive of tax) based on existing capital.

The final outgo could, however, increase due to increase in capital on conversion of Foreign Currency Convertible Bonds.

2. Transfer to Reserves

The Board has decided to transfer an amount of Rs. 125 Lacs to General Reserves.

3. Liquidity

Your Company continues to generate cash from operations and have been able to manage the working capital requirements and had cash equivalent of Rs.6.71 Millions as on 31st March, 2009.

Subsidiary Companies

We have three Subsidiary Companies; Bartronics America Inc., Bartronics Asia Pte. Limited, ROI Public Relations Private Limited and four step down subsidiary companies SRG America Inc., Quality-E- People, Inc. , Performica Software Private Limited and, Bartronics Hong Kong Limited.

Bartronics America Inc.

The Company was incorporated as a wholly owned subsidiary of Bartronics India Limited on 16th November 2007 in the State of Dalware in USA with a Share Capital of US\$ 1500.

In April 2008 Bartronics America Inc. acquired the shares of SRG America Inc. which in turn has two subsidiaries namely Quality- E- People and Performica Software Private Limited.

Bartronics Asia Pte. Limited

The Company was incorporated as a wholly owned subsidiary of Bartronics India Limited on 14th June 2007, in the Republic of Singapore with a Share

Capital of S \$ 769500.

On 21st December 2007 the Bartronics Asia Pte. Limited acquired the only issued share of Cason Limited, subsequently name of the Company was change to Bartronics Hong Kong Limited with effect from 15th October 2008.

ROI Public Relations Private Limited

ROI Public Relation Private Limited was incorporated on 4th December 2009. Bartronics India Limited is a promoter and subscriber to its Memorandum holding 62.50% shares (in the total paid up Capital of Rs. 5 Lacs) in the Company.

Statement pursuant to Section 212 of the Companies Act, 1956 is given in **Annexure B** of this report.

Since the management is seeking technical opinion on Audit Requirements in case of Bartronics America Inc. and Bartronics Asia Pte. Ltd., in their respective countries of incorporation, their Audited Financial Accounts have not been attached.

Since First Financial Year of ROI Public Relations Private Limited has not Completed no Financial Accounts have been attached.

Un-audited financial accounts of Bartronics America Inc. and Bartronics Asia Pte. Ltd. are given at the end of this Annual Report.

Consolidated Accounts

Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of AS-21, Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006.

The Consolidated Profit and Loss Account includes notional Foreign Currency Translation Loss of Rs. 5,280.81 lacs. This loss has arisen due to exchange rate differences on FCCB. The said Loss will undergo change with the fluctuation in the Rupee - Dollor exchange rate. Standalone Financial Statements of the respective subsidiaries show Profit.

Impact of Foreign Currency Translation Loss of Rs. 5,280.81 lacs on EPS is as under :

	31-3-2009	31-3-2008
	Rs.	Rs.
Basic	7.29	24.51
Diluted	6.67	15.14

If the above Loss is not considered (Since this being a notional entry), the EPS would be as under :

	31-3-2009	31-3-2008
	Rs.	Rs.
Basic	25.95	24.51
Diluted	23.74	15.14

COMPANY OVERVIEW

Presently your Company offers the following business activities:

- Trading and solutions business using Automatic Identification and Data Capture Technologies viz. Bar Code Equipments, access control systems, label materials, printers, verifiers and allied products.
- Solution Business viz. Provide high end AIDC solutions to manufacturing industry.
- Smart Card Manufacturing, the Company has commissioned 80 million smart card manufacturing facility.
- Providing solutions in Radio Frequency Identification and Data Capture (RFID) Technology.
- Your Company continues to see strong growth traction across existing business and expects the momentum to continue in future also.

HUMAN RESOURCE MANAGEMENT

Your Company has a forward looking Human Resource Development Strategy, which focuses on talent management and strengthening the talent pool. Systems are aligned to foster excellence, empower and enrich employees, recognize creativity, innovation and reward performance.

RISK MANAGEMENT

An effective risk management framework drives continued economic sustainability as it aligns operations & activities of the organization to its vision & values.

Your Company has a strong risk management framework that enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks.

Your Company promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator.

Further, a perpetual internal audit activity carried out by M/s T.Raghavendra & Associates, Chartered Accountants, as internal auditors also provides us with their independent assessment on our risk mitigating measures along with recommendations for improvement.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. B. Narayanaswamy is liable to retire by Rotation and being eligible, offer himself for retirement.

Tenure of appointment of Mr. Sudhir Rao, is completing and being eligible he offers himself for reappointment.

Mr. R. V. Panchapakesan and Mr. M.M.Yesaw were appointed as additional directors as per the provisions of Section 260 of the Companies Act, 1956 , by the Board at their meeting held on 29.09.2008, will automatically retire at the date of forthcoming Annual General Meeting. Your Directors recommend their regularization by members at the ensuing Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be made pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 is set out as **Annexure C** and forms part of this Report.

EMPLOYEES

The particulars of employees, as required under section 217(2A) of, the Companies (Particular of Employees) Rules, 1975, are given in a separate **Annexure - D** and forms part of this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Notes on Management Discussion & Analysis of the financial position of the Company have been given separately and form part of this Report.

AUDITORS

M/s Deloitte Haskins & Sells., Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that their re-appointment, if made, shall be within the limits laid down in Section 224 (1 B) of the Companies Act, 1956.

AWARDS AND ACCOLADES

The Year 2008-09 has been a year of awards and accolades for your Company.

Electronics Industries Association of Andhra Pradesh (ELIAP) awarded Bartronics India Limited the "Best Export Electronic Company in Andhra Pradesh" and the "Third Best Turnover Electronics Company in Andhra Pradesh" for the year 2007-08.

Bartronics India Limited bagged the prestigious "Aapke Dwar" Project from the Municipal Corporation of Delhi. The project envisages setting up and running 2000 G2C Kiosks in Delhi. The project is on a Build- Operate and Transfer Model for a period of nine years. The Company expects minimum revenue of Rs. 5000 Crores over the project period."

CORPORATE GOVERNANCE

A separate section on Corporate Governance is attached to this Report as **Annexure - E**.

A certificate from Mr. Y.Ravi Prasada Reddy, Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreements with Stock Exchanges is enclosed as **Annexure - F**.

The Board has laid down a code of conduct for all Board and Senior Managerial Personnel's of the Company. The code of conduct has been posted on the Company's website. Board Members and Senior Managerial Personnel's have affirmed compliance with the code for the financial year 2008-09.

A certificate from the Managing Director that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2009 is attached as **Annexure - G**.

CEO/CFO certificate is enclosed as **Annexure - H**.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA), of the Companies Act, 1956, the Directors, based on representations received from the operating management confirm, that -

- a. In the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That they have prepared the annual accounts on a going concern basis.

PROMOTER GROUP COMPANIES

Pursuant to intimation from promoters, names of promoters and companies comprising the "Group" as defined in Monopolistic and Restrictive Trade Practices ("MRTP") Act, 1969, have been disclosed in **Annexure - I** to this report.

LISTING OF COMPANY'S SECURITIES

Your Company's Shares are presently 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 Security Depository Limited (NSDL) and Central Depository Services (India) Limited, (CDSL).

FIXED DEPOSITS

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable.

EXPLANATIONS TO QUALIFICATIONS IN AUDITORS' REPORT:

Comments on Company's Statutory Auditor's Remarks for the Year 2008-09

The Statutory Auditors of the Company M/s Deloitte Haskins & Sells' have made the following comments in their report on the Company.

1. Auditors Comments:**Paragraph 4 of Standalone Audit Report: Explanation**

It has been advised to the Company's management that the class of assets on which the above referred deferred tax liability arises attract lower rate of depreciation under Income Tax Act, 1961. Consequently, the depreciation on the said assets and the deferred tax liability thereon has been computed accordingly. In this regard, the company is in the process of obtaining expert opinion and accordingly will be dealt in the current financial year.

2. Auditors Comments:**Paragraph 5 (i) of Standalone Audit Report :****Explanation**

The matter is self-explanatory.

Management Discussion and Analysis

1. Industry Structure and Developments:

Bartronics India Limited (BIL), the pioneer in Automatic Identification and Data Capture (AIDC) Technology Industry in India, has consolidated its presence in India and is fast emerging as a global player in the Industry. Today, BIL is firmly entrenched in almost every AIDC technology space driving the industry to greater heights.

AIDC segment - Consolidating the Presence:

During the year, the AIDC Industry has seen an acceleration of adoption of RFID technology for various applications. With increasing demand seen in the manufacturing and the logistics sectors, the writing is clear on the wall - RFID is here to stay. Biometrics as a technology play is also fast catching up mainly due to increasing security requirements. More and more organizations are adopting Biometric based systems to safeguard their key assets.

BIL has during the year further consolidated its presence in the AIDC market in India. The Company, being the only organized player in the market to provide end-to-end solutions based on AIDC technologies, it 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 which so far had been restricted as a technology play to the telecom sector, has emerged to become a key technology play in the Indian Industry. Many of the projects announced by the Government of India during the past few years are now being implemented at the grass roots level. Bartronics has positioned itself to take advantage of the market, which is opening up thereby garnering a major share of the Government's consumption of smart cards during the year. Key Government initiatives, which saw smart cards being used were the Bhamashah Project in Rajasthan, Smart Cards based ticketing in Indian Railways, Financial Inclusion Schemes in some of

the eastern states and the Employee State Insurance Scheme.

Moving forward, there are some more key initiatives of the Government like the National Identity Card Project which would add on to the increasing demand for smart cards in the country.

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 quite a few new customers during the year by providing state-of-the art solutions based on RFID and Smart Cards Technologies.

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.

With the increase in size and visibility, the Company has attained the distinction of being invited to participate in many of the government initiatives not only in India but also in Singapore.

Global Expansion - Immediate Traction

The Company successfully started operations in South Asia and the USA last year. In the South Asian market, Bartronics Asia Pte Ltd., a wholly owned subsidiary of BIL has during the year emerged as a significant player in the South Asian Market. The Company, during the year, successfully executed some path-breaking projects using RFID technology. These include the public parking application and the RFID tagging of prefab concrete.

In the US market, BIL's acquisition of two firms last year has delivered satisfactory results. Increased adoption of RFID technology has further spurred the Company's R&D efforts which got reflected

in the Company getting a couple of patents to its name. Besides serving some of the top-end blue-chip customers based in the USA, Bartronics is now slated to take on the European market through a slew of collaborations.

Broad Based Management Approach

The Management team has seen a constant strengthening in-line with the increasing complexities of the business. With the growth and the future plans firmly in place, Bartronics believes it is the Human Resources Management, which will be crucial to convert the plans into reality. Newer members in the top management team have brought in increased focus and specialization to take the Company firmly to the next stage of growth.

2. Strengths and Opportunities:

Multiple options for Growth

BIL works on multiple growth options. In the RFID space, the Company has constantly sought out newer collaborations and associations to broaden its service portfolio. In the smart cards technology space, the Company has successfully moved from being dependent on the telecom sector to being a key supplier to Government initiatives. In the international market, the Company is seriously exploring a possible expansion into the European market through collaborations.

Building on Alliances

Alliances, as a key contributor to growth were very much visible during the past 12 months. Existing alliances and collaborations with industry leaders including Intermec, Datalogic and Synel have been strengthened as the company has started operating in the US. Similarly fresh alliances for tapping the South Asian countries have also been completed. These will help the company to exploit the growing market and launch its next stage of growth.

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 to provide its newer solutions. The increased base of customers also helps the customer in ensuring 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 depend 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 it is 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.

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 significant investments 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 an excellent growth of 103.88 % in annual revenues, recording Rs. 37604.71 Lacs for the year 2008-09 as against Rs. 18444.44 lacs in the previous financial year 2007-08. The Company's net profit before tax stood at Rs. 6812.47 Lacs in 2008-09 as against Rs. 4103.77 Lacs in the previous financial year 2007-08.

(Rupees in Lacs)

Particulars	2008-09	2007 - 08
Net Sales	37588.75	18348.41
Other Income	15.96	114.03
Total Income	37604.71	18444.44
Total Expenditure	25835.06	13643.49
EBIDTA	11769.65	4800.95
Interest	2184.84	378.96
PBDT	9584.81	4421.99
Depreciation & Amortization	2772.34	370.92
PBT	6812.47	4103.77
Provision for Taxation	2001.08	830.47
Profit after Tax	4811.39	3273.30

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:

There has been no change in the Authorized Share Capital of the Company during the year, which has remained constant at Rs. 60 Crores divided into Six Crores Equity Shares of Rs. 10/- each.

Movement in Paid-up Capital:

Movement of the Paid-Capital is provided in the table below:

	2008-2009		2007-2008	
	Equity Shares (Nos)	Rs crore	Equity Shares (Nos)	Rs crore
Paid-up Capital-Beginning of year	26535124	26.53	17819078	17.82
Add:Shares issued under ESOS-2007	160000	0.16	640000	0.64
Add:Shares issued against conversion of convertible warrants.	Nil	Nil	4630000	4.63
Add:Shares issued against conversion of FCCBS.	22,82,332	2.28	3446046	3.44
Total	28977456	28.97	26535124	26.53

Loan Funds:

(In Rupees Lacs)

Particulars	2008-09	2007-08
Secured Loan	25744.09	6022.15
Unsecured Loans	29217.61	25281.06
Total	54961.70	31303.21

Net Worth:

The net worth of the Company as on 31st March, 2009 is Rs. 30705.14 Lacs as against Rs. 24235.85 Lacs as on 31st March, 2008. The increase in net worth is about 26.69% when compared to the net worth at the end of previous financial year.

Fixed Assets:

There is a total addition of Rs 23506.46 Lacs to the current financial year, breakup of which is as follows: Buildings - Rs. 241.78 Lacs, Plant and Machinery- Rs. 6649.93 Lacs, Electrical Installation : Rs. 275.91 Lacs, Office Equipment : Rs. 2.21 Lacs, Furniture and Fixtures Rs. 31.24 Lacs, Computers Rs. 35.56 Lacs , Vehicles- Rs. 6.48 Lacs and Intangible assets comprising of Goodwill, Intellectual Properties and Software to the tune of Rs. 16263.34 Lacs.

Investments:

There was a marginal increase of Rs. 3.13 Lacs on account of investment made in shares of a new subsidiary Company, ROI Public Relations Private Limited, incorporated during the financial year under review.

Loans, Advances & Deposits:

Loans and Advances as on 31st March, 2009 are Rs. 49834.56 Lacs as against Rs. 34281.84 Lacs 31st March, 2008.

Receivables:

The receivables stand at Rs. 21820.20 Lacs as on 31st March, 2009 against Rs. 4889.37 Lacs as on 31st March, 2008.

Current Liabilities and Provisions:

The current liabilities & provisions as on 31st March, 2009 are Rs.16391.86 Lacs against Rs. 34599.91 Lacs as on 31st March, 2008.

5. Segment wise or product wise performance of the Company

The activities of the Company relate to only one segment i.e. the business of providing Automatic Identification & Data Capture (AIDC) Solutions. Information relating to secondary Segment is given in Note No. 13.2 of Schedule 20 (Notes to Balance Sheet and Profit & Loss Account) in the Audited Financial Statement.

6. Outlook for the current year

The Company during the Financial Year 2008-09 has achieved a turnover of Rs. 37588.75 Lacs. The Basic and Diluted Earning Per Share have been Rs. 17 and Rs. 15.55 respectively. The Company is expected to repeat its impressive financial performance over the next few years on account of penetration into new markets and increase in the demand for AIDC products.

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 and the committed employees.

Annexure - A

Details as Required under Regulation 12 of Securities Exchange Board of India (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines 1999

ESOS 2007		
(1)	Options granted till date	: 8,00,000 Options
(2)	Pricing Formula	: At face value of Rs. 10/- as per the Resolution passed at the Extra -Ordinary General Meeting of the Company held on 29.01.2007
(3)	Options vested during the year	: No options vested during the year
(4)	Options exercised during the year	: 1,60,000
(5)	Total number of shares arising as a result of exercise of options	: 1,60,000
(6)	Options lapsed during the Year	: Not Applicable
(7)	Variation of terms of options during the year	: No variations during the Year
(8)	Money realized by exercise of options during the year	: Rs. 16,00,000
(9)	Options vested but yet to be exercised	: Nil Options
(10)	Options available for grant in future	: Nil Options
(11)	Options Granted during the Financial Year	: Nil Options
(12)	Options granted to Senior Managerial Personnel and employee who received options amounting to and in excess of 5% of the option granted under ESOS 2007 during the financial year ended on March 31, 2009	: Nil Options
ESOS 2008		
(1)	Options granted till date	: 5,84,041 (granted out of 9,50,000 options) 5,84,041 options have been subsequently surrendered by the option grantees .
(2)	Pricing Formula	: At face value of Rs. 10/- as per the Resolution passed at the Extra - Ordinary General Meeting of the Company held on 25.02.2008
(3)	Options vested during the year	: No options vested during the year, the options were surrendered by the option grantees before start of vesting period
(4)	Options exercised during the year	: Not Applicable
(5)	Total number of shares arising as a result of exercise of options	: Not Applicable

(6)	Options lapsed during the Year	:	584041 options granted were voluntarily surrendered as by the option grantees
(7)	Variation of terms of options during the year	:	No variations during the Year
(8)	Money realized by exercise of options during the year	:	Not Applicable
(9)	Options vested but yet to be exercised	:	Nil Options
(10)	Options available for grant in future	:	3,65,959
(11)	Options Granted during the Financial Year	:	Nil Options
(12)	Options granted to Senior Managerial Personnel and employee who received options amounting to and in excess of 5% of the option granted under ESOS 2008 during the financial year ended on March 31, 2009	:	Nil Options

Annexure - B

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

Name of the Subsidiary Company	Bartronics America Inc., USA	Bartroncis Asia Pte. Ltd., USA	ROI Public Relations Private Limited
Financial Year of the Company	01.01.2009-31.12.2009	01.04.2008-31.03.2009	04.12.2008-31.03.2010
Number of Shares held , amount invested and extent of holding of the Holding Company as on 31st March, 2009			
a) The Number of Equity Shares each fully paid	1500 Equity Shares of US\$ 1 each	769500 Equity Shares of S\$ 1 each	31250 Equity Shares of Rs. 10/- each
b) Amount Invested which is equivalent in Indian Currency	Rs. 60,090	Rs. 2,04,37,920	Rs. 3,12,500
b) Extent of holding in percentage terms	100.00	100.00	62.50
The net aggregate profit or (losses) of the subsidiary company of the current financial year so far as it concerns members of the holding company			
a) dealt with or provided for in the accounts of the holding company	Rs. 102,489,097	Rs. 150,923,304	Nil
b) Not dealt with or provided in the accounts of the holding company	Not Applicable	Not Applicable	Not Applicable
The net aggregate profits or (losses) of the subsidiary company for the previous financial year so far as it concerns the members of the holding company			
a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
b) Not dealt with or provided in the accounts of the holding company	Not Applicable	Not Applicable	Not Applicable

The financial year of the holding Company is not coinciding with the financial year of its American Subsidiary viz., Bartronics America Inc., The following information is provided in this regard.

1. There is no change in holding Company's interest in the subsidiary Company(s) from the date of incorporation to the date of closure of the financial year of holding Company ie., 31st March, 2009.
2. There are no material changes which have occurred from the start of the financial of the subsidiary companies to the date of closure of the financial year of holding Company (ie., 31st March, 2009) in respect of (a) Subsidiary 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.

Annexure - C

Conservation Of Energy, Technology Absorption And Foreign Exchange Earning And Outgo

A. Conservation of Energy

a) Energy Conservation:

1. Capacitor bank connected at input end of the electrical supply line to improve power factor justifying lower energy consumption.
2. For efficient Air cooling & low energy consumption false sealing both ground floor and first floor done at the factory.
3. Insulation in chiller pipeline is done to increase the efficiency level of chiller System for Lamination Machine.

b) Additional investment and proposal if any, being implemented for reduction of consumption in energy:

1. CFL/LED lighting system to implement across the building 400 x 400 = 1.60 lakhs

c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production:

1. Reduction in electrical bill 15% per month already implemented, 3.5%- Proposal.

Form A

A. Particulars with respect to conservation of energy

1. Electricity and diesel purchased for manufacture

	2008-09	2007-08
1. Electricity		
Units (KWH)	279079	124284
Total Amount (Rs.)	17, 12,101	9, 58,239
Rate/units(Rs.)	6.135	7.710
2. Diesel		
Units (KWH)	41878	44795
Total Amount (Rs.)	4, 18,784	4, 22,350
Rate/units(Rs.)	10.00	9.42

Form B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)

1. Specific areas in which R& D carried out by the Company
RFID Tags, Cards manufacturing & Personalization.
2. Benefits derived as a result of above R& D
 - a. New products of contactless RFID developed and floated in market
 - b. Both revenue & profit maximization
3. Future plan of Action - Automatic RFID line
4. Technology absorption, adoption and Innovation

1.	Efforts in brief made towards technology absorption, adoption and Innovation	New Product of RFID development
2.	Benefits derived as a result of the above efforts e.g. product, improvement, cost reduction, product development, import substitution	New product developed
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished	Not Applicable
	a) Technology Imported	Not Applicable
	b) Year of Import	Not Applicable
	c) Has Technology been fully absorbed	Not Applicable
	d) If not fully absorbed, areas where this has not been taken place, reasons there of and future plans of action	Not Applicable

Form C

Foreign Exchange Earnings and Outgo

(Rs. in Million)

Particulars	2007 - 08	2008 - 09
Foreign Exchange Earnings	643.39	2151.89
Foreign Exchange Outgo	2.46	5.07

Annexure - D

Details of Employees under as required under section 217(2A) of, the Companies (Particular of Employees) Rules, 1975

Sl. No	Name	Age	Designation	Remuneration Received (Rs.)	Qualification	Experience	Date of Commencement of Employment	Last Employed
1.	Sudhir Rao	43	Managing Director	81,07,188	PGBM form IIM Ahmedabad, B. Com	18 Years	21.08.2002	VFM Softech Limited
2.	S. Tirumala Prasad	48	Whole Time Director and Chief Executive Officer	35,21,412	MS , B.Tech	27 Years	01.04.2006	Indus Networks Limited
3.	T.V. Rao	54	Whole Time Director	24,00,000	MBA, CAIIB, B.Com	29 Years	25.04.2005	Indus Ind Bank Limited
4.	L. Suresh	48	Vice President	26,60,640	MBA	24 Years	02.01.2008	Brighus Software (India) Private Limited
5.	M.V. Brij Mohan	42	Vice President	26,22,000	MS, B.Tech	15 Years	01.04.2008	Pointsoft Private Limited

Annexure - E

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 31.03.2009 is as follows:

- Three Whole Time Directors
- One Promoter Director
- Four, Independent Directors

During the financial year 2008-09, ten Meetings of the Board of Directors were held on the following dates:

29th April 2008, 12th May 2008, 30th June 2008, 21st July 2008, 13th August 2008, 2nd September 2008, 29th September 2008, 13th October 2008, 30th October 2008 and 29th January 2009.

The Composition of the Board of Directors as on 31st March 2009, 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 other Director-ships (3)	Number of Board Meeting Attended (4)	Number of Membership /Chairmanship on other Board Committees (5)	Attendance at the last Annual General Meeting (6)
Mr. Sudhir Rao	Managing Director	Nil	10	1	Yes
Mr. S. Tirumala Prasad	Whole Time Director	Four	3	Nil	Yes
Mr. T. Venkateswara Rao	Whole Time Director	Two	10	Nil	Yes
Mr. A.B.S. Reddy	Promoter Non Executive	Nine	6	4	No
Mr. R. Satish Reddy *	Promoter Non Executive Director	Three	Nil	1	No
Mr. B. Narayanswamy	Independent Non Executive	Two	Nil	4	No
Mr. R. Subramanian*	Independent Non Executive	One	3	2	No
Mr. Y.R. Rao	Independent Non Executive	One	5	2	Yes
Mr.R.V. Panchapakesan	Independent Non Executive	Nil	2	4	N. A.
Mr. M.M. Yeasaw	Independent Non Executive	Nil	2	Nil	N.A.

* Indicates that the Director has since retired / resigned/ ceased to be a Director

Change in Composition of Board of Directors since the date of last AGM held on 29.09.2008 upto the date of this Report.

The Board accepted the withdrawal of nomination of Mr. K. N. Dupare, by IDBI from the Board, at its meeting held on 29.09.2008 and at the same meeting appointed Mr. R.V. Panchapakesan and Mr. M.M. Yesaw as Additional Director to act as Independent Directors, to hold office upto the following Annual General Meeting.

The Board at its meeting held on 27.04.2009 has accepted resignation of Mr. R. Subramanian and Mr. R. Satish Reddy, who expressed their inability to continue as director of the Company due to their personal reasons.

Board Committees

Audit Committee

Composition:

The Audit Committee of the Company comprises of Four Members, three members of the Committee are Independent Directors, chairman being an Independent Director, one of the member is a promoter director. All the members of the Audit Committee are financially literate and Chairman is from finance background being an ex-general manager of State Bank of India.

Composition of the Audit Committee as on the date of Annual General Meeting

S. No.	Name of Director	Position	Nature of Directorship	Remarks if any
1.	Mr. R. V. Panchapakesan	Chairman	Independent Director	Inducted as chairman with effect from 27.04.2009
2.	Mr. Y.R. Rao	Member	Independent Director	Nil
3.	Mr. B.Narayanswamy	Member	Independent Director	Nil
4	Mr. A.B. Satyavas Reddy	Member	Promoter - Non Executive Director	Nil
5.	Mr. R. Subramanian	Ex- Chairman	Independent Director	Ceased to be a member w.e.f. 27.04.2009
6.	Mr. K.N. Dupare	Ex - Member	Independent Director	Ceased to be a member w.e.f. 29.09.2008

Note: The Audit Committee has been reconstituted on 27.04.2009

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

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 's financial and risk management policies.
13. Carrying out such other functions which, maybe, 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 2009 four Audit Committee Meetings were held on 29th April 2008, 21st July 2008, 30th October 2008 and 29th January, 2009.

Sl. No.	Name of Director	No. of Meetings Attended
1.	Mr. R. V. Panchapakesan (w.e.f. 27.04.2009)	N.A.
2.	Mr. Y.R. Rao	4
3.	Mr. B.Narayanswamy	Nil
4.	Mr. A.B. Satyavas Reddy	1
5.	Mr. R. Subramanian	3
6.	Mr. K.N. Dupare (upto 29.09.2008)	2

Though, Mr. R. Subramanian, Chairman of Audit Committee was not able to attend the Annual General Meeting on 29.09.2008, Mr. Y.R. Rao, Member of the Audit Committee attended the A.G.M. and replied to queries of the shareholders.

Remuneration Committee

The Remuneration Committee makes recommendation to the Board of Directors regarding remuneration payable to the executive directors of the Company. The Remuneration committee was reconstituted on 27th April, 2009 due to resignation of Mr. R. Subramanian who was chairman of the Remuneration Committee. The Remuneration Committee comprises of three Independent Directors and one Promoter Non Executive Director. Members of the Committee are Mr. R.V. Panchapakesan (w.e.f. 27.04.2009) , Mr.Y.R. Rao, Mr. B. Narayanswamy and Mr. A.B. Satyavas Reddy.

The Remuneration Committee also acts as Compensation committee for the purpose of administration and superintendence of Employees Stock Option Scheme (ESOS)

2 Meetings of the Remuneration Committee were held during the period of 12 months ended on 31.03.2009. The attendance of members at the meeting were as follows:

Name of Director	No. of Meeting Attended
Mr. R.V. Panchapakesan (w.e.f. 27.04.2009)	N.A.
Mr. R. Subramanian (Chairman upto 27.04.2009)	Nil
Mr. B. Narayanswamy	2
Mr. K.N. Dupare (Member upto 29.09.2008)	1
Mr. Y.R. Rao	2
Mr. A.B. Satyavas Reddy	2

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 for the Financial Year 2008-09 is as follows:

Name of Director	Basic Salary (Rs)	Allowances (Rs)	Perquisites (Rs)	Total (Rs)
Mr. Sudhir Rao	37,80,000	42,78,828	48,360	81,07,188
Mr. S. Tirumala Prasad	14,40,000	20,81,412	Nil	35,21,412
Shri T.Venkateswara Rao	9,60,000	13,91,640	48,360	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. 5000 /- 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 Members of the committee are Mr. A.B. Satyavas Reddy, Mr. Sudhir Rao, Mr. B. Narayanswamy and Mr. R.V. Panchapakesan. Two meeting of Share Transfer Committee were held during the period of 12 months ended on 31st March 2009.

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.

Members of the Committee are as follows:

Mr. A.B. Satyavas Reddy, Non Executive Director

Mr. Sudhir Rao, Managing Director

Mr. B. Narayanswamy, Independent Non Executive Director

Mr. R.V. Panchapakesan, Independent Non Executive Director

Details of shareholders' complaints received and resolved during the year 2008-09

The total number of complaints/ correspondence received and replied to the satisfaction of the shareholders during the 12 months period ended on 31st March 2009 were 6. There were no outstanding complaints as on 31st March, 2009. No shares were pending transfer as on 31st March, 2009.

Compliance Officer:

The Board has designated Mr. 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	Meeting	Location of	Time	Special resolution passed
2007-08	29th September, 2008	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad - 500044	11.00 A.M.	1. To fix the remuneration payable to Mr. S. Tirumala Prasad, Whole Time Director of the Company 2. Amendment of Articles of Association 3. Amendment of the Terms of ESOS 2008 approved at the E.G.M. held on 25.02.2008 (three separate special resolutions passed)
2006-2007	10th September, 2007	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad - 500044	11.00 A.M.	1. Payment of enhanced remuneration to Mr. Sudhir Rao 2. To issue Foreign Currency Convertible Bonds
2005-2006	28th July 2006	Naina Gardens, Kukatpally, Hyderabad	11.00A.M.	1. Payment of enhanced remuneration to Mr. Sudhir Rao

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, 2009.

Disclosure

- i) The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large.
- ii) 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.
- iii) The following Non Executive Directors hold Equity Shares of the as stated below on 31.03.2009

Name of Director	No. of Shares Held
A.B.Satyavas. Reddy	38, 06,900
R. Satish Reddy	3, 48,000

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, 2009 at 11.00 a.m at Hotel Sitara Residency, Banquet Hall, 5th floor, Beside Big Bazar, Ameerpet Main Road, Hyderabad - 500 016.

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 09-10 (Tentative)

Results for the quarter ending 30th June 2009 - Fourth week of July 2009

Results for the quarter ending 30th September 2009 - Fourth week of October 2009

Results for the quarter ending 31st December 2009- Fourth week of January 2010

Results for the quarter ending 31st March 2010 - Fourth week of April 2010

Book closure date

24th September to 29th September 2009 (both days inclusive) on account of A.G.M. and dividend.

Dividend payment date

On or after 4th October 2009

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 2009-10 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 Securities Depositories (India) Limited for the financial year 2008-09 has been paid.

Stock code

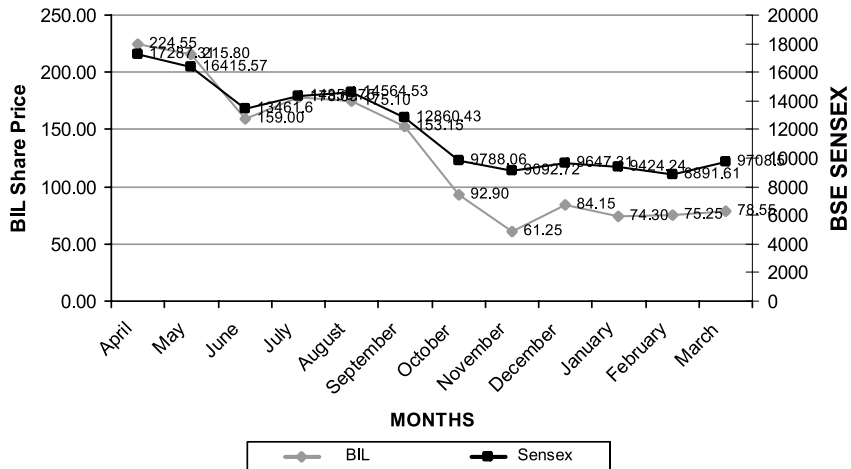
- ◆ NSE symbol for Bartronics India Limited is BARTRONICS
- ◆ BSE code for Bartronics India Limited is 532694
- ◆ ISIN number for Bartronics India Limited is INE855F01034

Share price performance

Bombay Stock Exchange Limited:

Month	Months High Price	Months low Price	Spread High-Low	Closing Price	Volume	BSE Sensex (Closing)
April 08	239.90	125.00	114.90	224.55	5071640	17,287.31
May 08	252.85	200.00	52.85	215.80	3623512	16,415.57
June 08	227.90	157.10	70.80	159.00	1395285	13,461.60
July 08	186.00	140.05	45.95	178.65	2428779	14,355.75
August 08	187.50	169.00	18.50	175.10	3547385	14,564.53
September 08	183.00	140.00	43.00	153.15	1585268	12,860.43
October 08	157.70	76.60	81.10	92.90	1109947	9,788.06
November 08	100.90	55.05	45.85	61.25	1217130	9,092.72
December 08	89.40	55.25	34.15	84.15	2169975	9,647.31
January 09	100.45	67.35	33.10	74.30	2612558	9,424.24
February 09	89.85	66.35	23.50	75.25	6298854	8,891.61
March 09	79.80	61.00	18.80	78.55	2614827	9,708.50

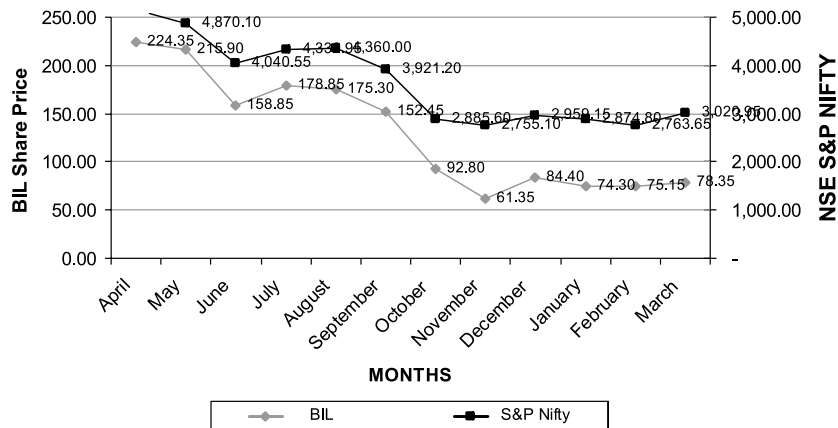
Comparison with BSE SENSEX



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 08	239.95	134.80	105.15	224.35	7132150	5165.9
May 08	252.50	205.25	47.25	215.90	4956990	4870.1
June 08	230.00	150.65	79.35	158.85	2106154	4040.55
July 08	185.80	140.40	45.40	178.85	3438181	4332.95
August 08	187.00	165.05	21.95	175.30	4376411	4360
September 08	182.00	136.65	45.35	152.45	2367061	3921.2
October 08	158.00	72.15	85.85	92.80	1840885	2885.6
November 08	100.80	54.20	46.60	61.35	2480252	2755.1
December 08	88.00	47.40	40.60	84.40	3740531	2959.15
January 09	100.75	65.05	35.70	74.30	3903998	2874.8
February 09	89.70	63.60	26.10	75.15	9543161	2763.65
March 09	79.80	52.80	27	78.35	3739701	3020.95

Comparison with NSE S&P Nifty
MONTHS

**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	39,330	91.53749	44165570.00	15.24136
5001 – 10000	1,907	4.43839	15296570.00	5.27878
10001 – 20000	842	1.95969	12693190.00	4.38037
20001 – 30000	311	0.72383	8091100.00	2.79221
30001 – 40000	116	0.26998	4151910.00	1.43281
40001 – 50000	101	0.23507	4726300.00	1.63103
50001 – 100000	181	0.42126	13256110.00	4.57463
100001 – Above	178	0.41428	187393810.00	64.66883
Total	42,966	100.00	289774560.00	100.00

Pattern of shareholding as on 31st March, 2009 (Face Value: Rs. 10 each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	8990377	31.03
Mutual Funds	1627527	5.62
Financial Institutions/Banks	604472	2.09
Foreign Institutional Investors	1715770	5.92
Body Corporate	3246503	11.20
Indian Public	11854305	40.91
Clearing Members	265101	0.91
Non resident Indians and Overseas Body Corporate	631331	2.17
Trust	42070	0.15
Total	28977456	100.00

Dematerialization of shares

The Company has provided an option to the Shareholders to hold the Shares of the Company either in physical form or in the dematerialized form. For the purpose of holding the equity shares of the Company 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 2009-10 has been paid.

560 Foreign Currency Convertible Bonds were outstanding for conversion as on 31.03.2009. 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

Mr. Fahim Aslam Khan, Company Secretary
5-9-22/B/503, 5th Floor, My Home Sarovar,
Secretariat Road, Saifabad,
Hyderabad - 500063
Phone: 91-40-23298073/74
Fax: 91-40-23298076
Email: investors@bartronicsindia.com

Annexure - F

Certificate on Corporate Governance

To

The Members of Bartronics India Limited

I have examined the compliance conditions of Corporate Governance by Bartronics India Limited, Hyderabad for the period ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement.

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

In my opinion and to the best of my knowledge and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Clause 49 of Listing Agreement.

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

I 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.

Place : Hyderabad

Date : 02.09.2009

Y.Ravi Prasada Reddy

Practicing Company Secretary

FCS No. : 5783

CP No. : 5360

Annexure - G

Certificate from the Managing Director in Terms of amended Clause 49(1)(d)(iii) of Listing Agreement

I hereby confirm 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 2008-09.

Place : Hyderabad

Date : 02.09.2009

Sd/-

Sudhir Rao

Managing Director

Annexure - H CEO & CFO CERTIFICATION

We, S. Tirumala Prasad, Whole Time Director & Chief Executive Director, and T. Venkateswara Rao, Wholetime Director, looking after 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 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.

	Sd/-	Sd/-
	S. Tirumala Prasad	T. Venkateswara Rao
Place : Hyderabad	Whole Time Director &	Whole Time Director
Date : 02.09.2009	Chief Executive Officer	

Annexure - I CEO & CFO CERTIFICATION

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 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.

Auditors' Report

To the Members of

BARTRONICS INDIA LIMITED

1. We have audited the attached Balance Sheet of **BARTRONICS INDIA LIMITED** as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 [CARO] issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Deferred tax liability to the extent of Rs. 1663.40 Lacs has not been provided in the financial statements. Consequently Profit for the year After Tax and the Reserves and Surplus are overstated by Rs. 1,663.40 Lacs and the Deferred Tax Liability (net) is understated by Rs. 1,663.40 Lacs. Accordingly, Earnings Per Share (EPS) both basic and diluted has been overstated by Rs. 5.88 and Rs. 5.38 respectively.
5. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information except for quantitative information for production of goods for reason stated in Note 3 of Note 16 (a) of Schedule 20 to the Financial Statements and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, subject to the effect on the financial statements of the matter referred in paragraph 4 above and except for disclosure of quantitative information for production of goods for reason stated in Note 3 of Note 16 (a) of Schedule 20 to the financial statements, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Deloitte Haskins & Sells

Chartered Accountants

GANESH BALAKRISHNAN

Partner

Membership No: 201193

Place : Hyderabad

Date : 2nd September, 2009

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

The nature of the Company's business/activities during the year was such that paragraphs 4 (viii), 4(xii), 4(xiii), 4(xiv), 4 (xv) and 4(xix) of CARO are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company is in the process of re-compiling its fixed assets register with a view towards reflecting full particulars including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion, provides for physical verification of all fixed assets at reasonable intervals. Having regard to the size of the Company and the nature of its assets, the program of verification is reasonable. In view of the fact that the fixed assets register is in the process of reconstruction, management has informed that discrepancies, if any, arising between the assets verified and the book records would be dealt with in the period in which such re- compilation of the register is completed.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). As the Company has neither granted nor taken any loans, secured or unsecured, to or from parties listed in the register maintained under Section 301 of the Act, paragraphs 4 (iii)(b), (c), (d), (f) and (g) of CARO are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the internal control systems are generally commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. While we have not observed any continuing failure to correct major weaknesses in such internal control systems, the Company needs to strengthen systems and procedures relating to documentation.
- (iv) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements which need to be entered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4 v(a) and v(b) of CARO are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply. Accordingly, paragraph 4(vi) of CARO is not applicable.

(vii) In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

(viii) In respect of statutory dues:

- (a) According to the information and explanations given to us and according to the records of the Company, undisputed statutory dues in respect of provident fund, employees state insurance, professional tax, income-tax, value added tax, fringe benefit tax and service tax have not been regularly deposited with the appropriate authorities and few delays in deposit of such dues have been noticed. In respect of other material undisputed statutory dues including investor education and protection fund, wealth tax, sales tax, custom duty and excise duty, the Company has been regular in depositing with the appropriate authorities.
- (b) According to the information and explanations given to us, following are the undisputed statutory dues as at 31st March, 2009 outstanding for a period of more than six months from the date they became payable:

Name of the Statute	Nature of the Dues	Rs. in Lacs.	Period to which the amount relates	Due Date	Date of Payment
Income- Tax Act, 1961	Income Taxes	3.25	2000-01	Various Dates	Not paid
		768.76	2007-08	March 31, 2008	
The Finance Act, 1994	Service Tax	3.42	2003-04	Various Dates	
		5.50	2004-05	Various Dates	
		0.84	2005-06	Various Dates	

- (c) According to the information and explanations given to us, there were no dues of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited as on 31st March, 2009 on account of any dispute. The details of the disputed dues of income tax which have not been deposited as on March 31, 2009 are given below:

Name of the statute	Nature of the Dues	Financial Years to which the matter pertains	Rs. in Lacs	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	1999-2000	2.29	Commissioner of Income Tax- Appealsa
		2000-2001	1.89	
		2001-2002	1.45	
		2002-2003	0.98	
		2003-2004	1.10	
		2004-2005	0.80	

- (ix) 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.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and banks.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were prima facie applied for the purpose for which the loans were obtained.

- (xii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xiii) According to the information and explanations given to us during the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xiv) During the year covered by our audit report, the Company has not raised any money by public issue.
- (xv) According to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells

Chartered Accountants

GANESH BALAKRISHNAN

Partner

Membership No: 201193

Place : Hyderabad

Date : 2nd September, 2009

Balance Sheet as at 31st March, 2009

Particulars	Schedule No	Note Reference Schedule 20	Rs. in Lacs	
			As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	3	2,897.75	2,653.51
Reserves and Surplus	2	4	27,807.39	21,582.34
			30,705.14	24,235.85
Loan Funds				
Secured Loans	3	5	25,744.09	6,022.15
Unsecured Loans	4	6	29,217.61	25,281.06
			54,961.70	31,303.21
Deferred Tax Liability (Net)		14	1,482.21	413.00
Total			87,149.05	55,952.06
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5		30,137.43	6,741.03
Less: Depreciation & Amortisation			3,575.66	812.44
Net Block			26,561.77	5,928.59
Capital work-in-progress			3,144.38	12,028.85
[(Includes Capital Advances Rs.1,427.69 Lacs) (31.03.2008 : Rs.99.31 Lacs)]			29,706.15	17,957.44
Investments	6		208.11	204.98
Current Assets, Loans & Advances				
a. Inventories	7		1,300.28	1,359.54
b. Sundry Debtors	8		21,820.20	4,889.37
c. Cash and Bank Balances	9		671.62	571.12
d. Loans and Advances	10		49,834.56	34,280.84
			73,626.66	41,100.87
Less: Current Liabilities & Provisions	11			
a. Liabilities			11,370.22	2,080.09
b. Provisions			5,021.64	1,379.82
			16,391.86	3,459.91
Net Current Assets			57,234.79	37,640.96
Miscellaneous Expenditure	12		—	148.68
(to the extent not written off or adjusted)				
Total			87,149.05	55,952.06
Significant Accounting Policies & Notes to the Accounts		19 & 20		

Schedules 1 to 20 annexed hereto form an integral part of these accounts

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan

Partner

Place : Hyderabad

Date : 02.09.2009

Sudhir Rao

Managing Director

V.V.Ramakrishna
General Manager (F&A)

T Venkateswara Rao

Whole Time Director

Fahim Aslam Khan
Company Secretary

Place : Hyderabad

Date : 02.09.2009

Profit & Loss Account for the Year Ended 31st March 2009

Rs. in Lacs

Particulars	Schedule No	Note Reference	Year ended 31.03.2009	Year ended 31.03.2008
INCOME				
Gross Sales			37,647.09	18,348.41
Less: Excise Duty			58.34	18.00
Net Sales		16(b)	37,588.75	18,330.41
Other Income	13		15.96	114.03
			37,604.71	18,444.44
EXPENDITURE				
Cost of Goods Sold	14		21,637.43	12,623.50
Manufacturing Expenses	15		60.02	31.35
Personnel Expenses	16		817.99	311.23
Administrative, Selling and Other Expenses	17		3,154.90	640.54
Interest & Finance Expenses	18		2,184.84	378.96
Depreciation & Amortisation	5		2,772.34	317.92
Miscellaneous Expenditure written Off	12		164.72	37.17
			30,792.24	14,340.67
Profit Before Tax			6,812.47	4,103.77
Taxation				
— Current Tax				
(include Rs. 15.68 Lacs relating to earlier years)			795.67	593.30
— Deferred Tax				
(include Rs.682.00 Lacs relating to earlier years)		14	1,072.40	233.40
— Fringe Benefit Tax			133.01	3.77
Profit After Tax			4,811.39	3,273.30
Balance brought forward from Previous Year			5,347.33	2,074.03
Less: Adjustment towards employee benefits (net of deferred tax of Rs.3.19 Lacs) in accordance with the transitional provisions of AS – 15, 'Employee Benefits'			6.20	—
Balance available for appropriations			10,152.52	5,347.33
Appropriations:				
— Transfer to General Reserve			125.00	—
— Dividend Distribution Tax			51.27	—
— Proposed Dividend			301.66	—
Balance Carried to Balance Sheet			9,674.59	5,347.33
Earnings per Share (Face Value of Rs.10 each) - Rs.				
Basic		15	17.00	16.91
Diluted			15.55	10.45
Significant Accounting Policies & Notes to the Accounts		19 & 20		

Schedules 1 to 20 annexed hereto form an integral part of these accounts

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan
Partner

Sudhir Rao
Managing Director

T Venkateswara Rao
Whole Time Director

Place : Hyderabad
Date : 02.09.2009

V.V.Ramakrishna
General Manager (F&A)

Fahim Aslam Khan
Company Secretary

Place : Hyderabad
Date : 02.09.2009

Cash Flow Statement for the period ended 31.03.2009

Rs. in Lacs

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	6,812.47	4,103.77
Adjusted for:		
Wealth Tax	0.47	—
Depreciation & Amortisation	2,772.34	317.92
Miscellaneous Expenditure written off (net)	148.67	12.54
Employee Compensation Expense under ESOS (Refer Note 20 to Schedule 20)	981.60	—
Fringe Benefit Tax and interest thereon (Refer Note 20 to Schedule 20)	451.65	—
Foreign Exchange loss on advances to subsidiaries (Refer Note 20 to Schedule 20)	105.26	—
Foreign Exchange loss on FCCB (net) (Refer Note 20 to Schedule 20)	99.90	—
Interest income	(14.69)	(19.38)
Interest expense	2,184.84	378.96
Unrealised Foreign Exchange loss (Net)	(253.61)	(155.21)
Loss / (Profit) on sale of fixed assets (Refer Note 20 to Schedule 20)	100.94	(89.49)
Operating profit before working capital changes	13,389.84	4,549.11
Changes in:		
Trade and other receivables	(22,774.56)	3,223.22
Inventories	59.26	(534.22)
Trade and other payables	7,357.43	(1,949.52)
Cash (used in)/generated from operations	(1,968.03)	5,288.59
Taxes paid	(20.50)	11.84
NET CASH (USED IN)/FROM OPERATING ACTIVITIES (A)	(1,988.53)	5,300.43
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (after adjustment of increase/decrease in capital work in progress and advances for capital expenditure)	(14,572.28)	(16,036.41)
Sale of Fixed asset	—	109.00
Interest received	6.21	19.38
Investment in subsidiary	(3.13)	(204.98)
Advances to subsidiaries	(1,373.20)	(27,926.39)
Advances from subsidiary	720.27	—
NET CASH USED IN INVESTING ACTIVITIES (B)	(15,222.13)	(44,039.40)

Particulars	Rs. in Lacs	
	Year ended 31.03.2009	Year ended 31.03.2008
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (net of repayments)	11,637.28	31,850.32
Proceeds from short term borrowings (net of repayments)	7,842.40	3,085.99
Interest & Finance Expenses Paid	(2,184.84)	(378.96)
Proceeds from Issue of Equity Capital	16.00	64.00
Securities Premium Received	—	5,556.00
Development Costs- Miscellaneous Expenditure	—	(887.60)
NET CASH FROM FINANCING ACTIVITIES (C)	17,310.84	39,289.75
D) Effects of exchange differences on translation of foreign currency cash & cash equivalents (D)	0.32	—
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	100.50	550.78
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	571.12	20.34
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	671.62	571.12

Notes :

- 1) The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211(3C) of the Companies Act, 1956.
- 2) Cash and Cash Equivalents include Rs.515.06 lacs (31.03.2008: Rs. 18.57 lacs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
- 3) Previous year's figures have been regrouped/ rearranged/ reclassified wherever necessary to conform with those of the current year.
- 4) Figures in bracket represents cash outflow.
- 5) Schedules 19 and 20 annexed hereto form an integral part of the Cash Flow statement.

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan

Partner

Place : Hyderabad

Date : 02.09.2009

Sudhir Rao

Managing Director

V.V.Ramakrishna
General Manager (F&A)

T Venkateswara Rao

Whole Time Director

Fahim Aslam Khan
Company Secretary

Place : Hyderabad

Date : 02.09.2009

Schedules forming part of the Balance Sheet

Particulars	Note Reference Schedule 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 1: Share Capital			
Authorised			
60,000,000 Equity Shares of Rs.10/- each (31.03.2008: 60,000,000 Equity Shares of Rs. 10/- each)		6,000.00	6,000.00
Issued, Subscribed & Paid Up			
28,977,456 Equity Shares of Rs.10/- each (31.03.2008 26,535,124 Equity Shares of Rs.10/- each) (Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 Lacs from the Profit and Loss account)	3	2,897.75	2,653.51
		2,897.75	2,653.51
Schedule 2: Reserves and Surplus			
Securities Premium Account			
At the commencement of the year	4	16,235.01	7,904.41
Add: Premium on conversion of FCCB's		2,967.04	4,479.86
Less: Redemption premium on FCCB		2,175.85	677.14
Less: FCCB issue expenses		—	1,028.12
Add: Premium on allotment of ESOS 2007		981.60	—
Add: Premium on allotment of share warrants		—	5,556.00
	(a)	18,007.80	16,235.01
General Reserve			
At the commencement of the year			
Add: Transfer from Profit and Loss Account		125.00	—
	(b)	125.00	—
Profit and Loss Account - Balance			
	(c)	9,674.59	5,347.33
	(a+b+c)	27,807.39	21,582.34
Schedule 3: Secured Loans			
Loans from Banks			
Term Loans	5	13,903.93	2,026.22
Working Capital Loans		11,832.06	3,989.66
Vehicle Loans		5.59	2.25
Other Loans			
Hire Purchase Vehicle Loan		2.51	4.02
		25,744.09	6,022.15
Schedule 4: Unsecured Loans			
Other Loans			
Foreign Currency Convertible Bonds (FCCB-I Redeemable in 2012 and FCCB-II Redeemable in 2013)	6	29,217.61	25,281.06
		29,217.61	25,281.06

Schedules forming part of the Balance Sheet

Particulars	Gross Block (At Cost)				Depreciation / Amortisation			Net Block		Rs. in Lacs
	As At 31.03.08	Additions	Deletions / Adjustments (Note 1)	As At 31.03.09	As At 31.03.08	For theyear	Deletions / Adjustments (Note 1)	As At 31.03.09	As At 31.03.09	
Tangible										
Land	41.92	—	—	41.92	—	—	—	—	41.92	41.92
Buildings	165.51	241.78	110.06	297.23	9.44	2.67	9.12	2.99	294.24	156.07
Plant And Machinery	522.55	6,649.93	—	7,172.48	38.05	396.15	—	434.20	6,738.28	484.50
Electrical Installation	104.92	275.91	—	380.83	4.21	18.46	—	22.67	358.16	100.71
Office Equipment	24.94	2.21	—	27.15	6.73	12.09	—	18.82	8.33	18.21
Furniture & Fixtures	109.52	31.24	—	140.76	41.43	69.34	—	110.77	29.99	68.09
Computers	4,500.20	35.56	—	4,535.76	286.14	882.81	—	1,168.95	3,366.81	4,214.06
Vehicles	124.26	6.49	—	130.75	37.57	27.79	—	65.36	65.39	86.69
Intangible										
Intellectual Property Rights	—	119.82	—	119.82	—	3.94	—	3.94	115.88	—
Software	1,147.21	16,143.52	—	17,290.73	388.87	1,359.09	—	1,747.96	15,542.77	758.34
Total	6,741.03	23,506.46	110.06	30,137.43	812.44	2,772.34	9.12	3,575.66	26,561.77	5,928.59
Capital Work in Progress	—	—	—	—	—	—	—	—	1,716.69	11,929.54
Capital Advance	—	—	—	—	—	—	—	—	1,427.69	99.31
Sub-Total	—	—	—	—	—	—	—	—	3,144.38	12,028.85
Grand Total	—	—	—	—	—	—	—	—	29,706.15	17,957.44
<i>Previous year</i>	<i>1,659.04</i>	<i>5,101.50</i>	<i>19.51</i>	<i>6,741.03</i>	<i>494.52</i>	<i>317.92</i>	<i>—</i>	<i>812.44</i>	<i>5,928.59</i>	<i>1,164.53</i>

Note 1: Adjustment represents sale of building pertaining to the previous year.

Note 2: The Company has entered into an agreement with IRIS Smart Cards Ltd ('IRIS') on 10th January, 2008 to acquire the assets of IRIS for a lumpsum consideration of "Rs. 2,078.23 Lacs. The amounts relating to acquisition have been reclassified during the year and depreciation effect has been given in the current year."

Schedules forming part of the Balance Sheet

Particulars	Note Reference Schedule 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 6: Investments			
Investments-Unquoted			
Long Term investment (At cost Less Provision for Diminution in value)			
Investment in Subsidiaries-Trade			
	No.of Equity	Share Face Value	
— Bartronics Asia Pte Ltd	769,500	SGD 1	204.38
— Bartronics America Inc	1,500	USD 1	0.60
— ROI Public Relations Pvt Ltd	31,250	INR 10	3.13
(Acquired during the year)			
			208.11
Aggregate Book Value of Quoted Investments			—
Aggregate Book Value of Unquoted Investments			208.11
Schedule 7: Inventories			
Raw Materials		1,170.66	1,229.74
Work in Process		27.43	0.09
Finished Goods		102.19	129.71
		1,300.28	1,359.54
Schedule 8: Sundry Debtors			
(Unsecured)			
Debts Outstanding for a period exceeding six months			
Considered good		1,113.88	436.16
Considered Doubtful		240.29	—
Less: Provision for Doubtful Debts		(240.29)	—
		1,113.88	436.16
Other Debts- Considered good		20,706.31	4,453.21
[Include amount due from a subsidiary of Rs.37.57 Lacs(31.03.2008: Rs.Nil)]			
		21,820.19	4,889.37
Of the above: Considered Good		21,820.19	4,889.37
Considered Doubtful		240.29	—
Schedule 9: Cash and Bank Balances			
Cash in Hand		2.03	1.08
Cheques in Hand		7.97	—
Balances with Scheduled Banks			
Current Accounts		146.56	551.47
Fixed Deposits*		1.99	8.79
Margin Deposits*		513.07	9.78
* (Lodged with Banks against guarantees and Letter of Credit issued)		671.62	571.12

Schedules forming part of the Balance Sheet

Particulars	Note Reference Schedule 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 10: Loans and Advances (Unsecured)			
Loans & Advances to Subsidiaries	9	36,440.65	28,081.59
Advances recoverable in cash or in kind for value to be received			
— Supplies		9,839.65	5,518.40
— Others		3,395.67	491.71
Deposits		124.66	119.77
Advance Tax and Tax Deducted at Source		32.36	11.86
Interest receivable		8.48	—
Prepaid Expenses		10.77	1.62
Balance with Customs & Excise Authorities		64.38	55.89
		<u>49,916.62</u>	<u>34,280.84</u>
Less: Provision for Doubtful Advances		(82.06)	—
		49,834.56	34,280.84
Of the above: Considered Good		49,834.56	34,280.84
Considered Doubtful		82.06	—
Schedule 11: Current Liabilities & Provisions			
A) Current Liabilities			
Sundry Creditors			
Due to Micro & Small Enterprises	21	—	—
Due to others			
— For Goods & Services		9,633.44	1,499.25
— For Capital Works		52.38	2.68
— Others		221.71	172.24
Due to Subsidiary		720.27	—
Other Liabilities		177.35	92.04
Advances from Customers		565.07	313.88
Liability towards Investor Education and Protection Fund		—	—
		<u>11,370.22</u>	<u>2,080.09</u>
B) Provisions			
Proposed Dividend		301.66	—
Dividend Distribution Tax		51.27	—
Provision for premium payable on redemption of FCCBs		2,651.37	667.97
Provision for Taxation		1,337.10	692.31
Fringe Benefit Tax		661.65	5.58
Employee Benefits	17	18.59	13.96
		<u>5,021.64</u>	<u>1,379.82</u>
Schedule 12: Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Development Costs			
Balance at the commencement of the year		148.67	161.22
Additions during the year		16.05	24.62
		<u>164.72</u>	<u>185.84</u>
Less: Written off during the year		164.72	37.17
		<u>—</u>	<u>148.67</u>

Schedules to the Profit and Loss Account

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE - 13 : Other Income			
Interest Gross			
(Tax Deducted at Source- Rs. 2.28 Lacs, 31.03.2008: Rs.Nil)		14.69	19.38
Miscellaneous income		1.27	5.16
Profit on Sale of Asset		—	89.49
		<u>15.96</u>	<u>114.03</u>
Schedule 14 : Cost of Goods Sold			
Raw Material Consumed			
Materials Consumed (including software purchased)	16(d)	9,855.71	6,675.02
Purchase of Finished Goods	16(c)	11,781.54	5,958.05
		<u>21,637.25</u>	<u>12,633.07</u>
(Increase)/Decrease in Stock			
Closing Stock			
Work-in-Process		27.43	0.09
Finished Goods		102.19	129.71
		129.62	129.80
Opening Stock			
Work-in-Process		0.09	—
Finished Goods		129.71	120.23
		<u>129.80</u>	<u>120.23</u>
		<u>0.18</u>	<u>(9.57)</u>
		<u>21,637.43</u>	<u>12,623.50</u>
Schedule 15 : Manufacturing Expenses			
Factory Maintenance		13.09	8.33
Power & Fuel		21.34	14.17
Repairs & Maintenance		25.59	8.85
		<u>60.02</u>	<u>31.35</u>
Schedule 16 : Personnel Expenses			
Salaries, Wages & Bonus		639.21	173.44
Contribution to Provident Fund and other funds		18.88	7.88
Directors Remuneration		140.09	80.53
Staff Welfare Expenses including Employee Benefits	17	19.81	49.38
		<u>817.99</u>	<u>311.23</u>

Schedules to the Profit and Loss Account

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		Year ended 31.03.2009	Year ended 31.03.2008
Schedule 17: Administrative, Selling and Other Expenses			
Rent		90.03	55.84
Insurance		16.79	6.12
Rates & Taxes		90.34	70.39
Printing & Stationery		11.11	10.73
Communication Expenses		40.14	14.72
Travelling & Conveyance		216.13	77.78
Legal & Professional Fees		210.68	139.07
General Expenses		102.50	68.72
Bank Charges		15.66	16.94
Directors Sitting Fees	10	1.09	0.06
Auditor's Remuneration	11	35.00	0.75
Foreign Exchange Fluctuation Loss (Net)		201.23	125.48
Provision for Doubtful Debts/Advances /Deposits		322.35	—
Bad Debts/Advances Written Off		34.31	38.33
Repairs & Maintenance-Others		14.68	10.04
Freight Outwards		13.51	5.57
Prior Period Expenses	20	1,739.35	—
		3,154.90	640.54
Schedule-18: Interest & Finance Expenses			
Interest on Term Loans		870.66	131.50
Interest on Working Capital Loans		651.91	198.27
Finance Charges		662.27	49.19
		2,184.84	378.96

SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with accounting principles generally accepted in India and accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 211 (3C) of the Companies Act, 1956.

2. Fixed Assets

Tangible Assets

Fixed Assets are stated at cost (net of duties and taxes) less depreciation. Cost includes installation and expenditure during construction, including import duties freight, insurance and incidental expenses relating to acquisition. Fixed Assets costing less than Rs.5,000 are fully depreciated in the year of purchase. Assessment of indication of impairment of an asset is made at the year-end and impairment loss, if any, is recognised. Depreciation is provided pro-rata on straight line method as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except in respect of the following fixed assets where the rates applied are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956:-

Plant & Machinery	7.42%
Electrical Installations	7.42%

Intangible Assets

Intangible Assets are stated at cost less amortisation. These are amortised on a straight line basis using the following rates such that the related assets are depreciated over their estimated useful lives.

Goodwill	20.00%
Intellectual Property Rights	10.00%
Software	16.67%

3. Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantially period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

4. Investments

Long-term Investments are stated at cost of acquisition. Provision for diminution in value of long-term investments, other than temporary, is made in the accounts.

5. Inventories

Raw materials are valued at cost using First in First Out Method. Semi-finished goods included in Work-in process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

6. Taxes

Current Tax: Provision for current tax is made based on taxable income computed for the year under the Income Tax Act, 1961.

Deferred Taxes: Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred Tax assets on accumulated losses and unabsorbed depreciation are recognized only to the extent that there is virtual certainty of realization of such assets in future. The carrying amount of deferred tax asset/ liability is reviewed at each balance sheet date.

7. Employee Benefits

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to contributions.

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. It is a long term employee benefit which is measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

8. Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred by the Company. Gross Sales are inclusive of Excise duty.

9. Foreign Currency Transactions

a) Wholly Owned Foreign Subsidiaries

Wholly owned foreign subsidiaries are classified as integral operations. All foreign currency monetary items outstanding at the yearend are translated at the year-end exchange rates. Income and expenses are translated at the average rates. The resulting exchange gains and losses are recognised in the profit & loss account.

b) Other Foreign Currency transactions:

i) Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of transactions and in case of purchase of materials, sale of goods and rendering of services the exchange gains/losses on settlements during the year, are charged to Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the date of Balance sheet. Exchange gains/losses including those relating to fixed assets are dealt with in the Profit and Loss Account.

ii) Forward Exchange Contracts:

Premium or discount on the forward contracts is amortised over the life of such contracts and is recognised as income or expense.

Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognised as income or as expense for the year.

10. Employee Stock Option Schemes (ESOP)

The Company accounts for compensation expense under the Employee Stock Option Schemes using the intrinsic value method as per the Guidance Note "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. The difference between the market price and the exercise price as at the date of granting of option is treated as compensation expense and charged over the vesting period.

11. Leases

Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases. Lease rentals amortised paid on account of operating leases are treated as expense and recognized in profit and loss account.

12. Earnings Per Share

The basic earnings per share ("EPS") is calculated by dividing the Profit/(Loss) after Tax by the weighted average number of Equity Shares outstanding.

The diluted EPS is computed by dividing the net profit or loss for the year referred to above adjusted for any attributable change in expenses or income that would result from the conversion of the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

13. Provisions and contingent liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and if it is probable that these liabilities can be properly estimated at the period end. Provisions are not discounted to its present value and are determined based on best estimates of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

14. Redemption Premium

Premium payable on redemption of Foreign Currency Convertible Bonds ('FCCB') is charged to Securities Premium Account over the life of the Bond.

SCHEDULE: 20 Notes to the Balance Sheet & Profit and Loss Account**1. Contingent Liabilities**

- a) Claims against the Company not acknowledged as debts:

Letter of Credit and guarantees issued:

Particulars	Rs. in lacs	
	As at 31.03.2009	As at 31.03.2008
Letters of Credit	4,277.10	737.72
Counter Guarantees given to Bankers towards :		
— Bank Guarantees issued	298.85	82.21

- b) Disputed Income Tax liability for which the Company preferred appeal aggregates to Rs. 8.51 Lacs (31.03.2008: Rs. Nil)

2. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs.80,000 Lacs (31st March 2008: Rs. Nil)

3. Share Capital

- a) During the year, USD 75 Lacs worth of FCCB have been converted into 2,282,332 equity shares of Rs. 10 each aggregating to Rs.228.24 Lacs at a premium of Rs. 130 per share aggregating to Rs.2,967.04 Lacs.
- b) During the year, vested options were exercised and the Company allotted 160,000 equity shares in ESOS -2007 of Rs. 10 aggregating to Rs. 16.00 Lacs each at a premium of Rs.122.70 per share aggregating to Rs. 196.32 Lacs.

4. Reserves & Surplus**I. Securities Premium**

- a) Movement of security premium account is given below:

Particulars	Rs. in lacs	
	As at 31.03.2009	As at 31.03.2008
Balance- At the commencement of the year	16,235.01	7,904.41
Add: Premium on conversion of FCCB into equity shares:- USD 75 Lacs FCCB and conversion premium thereon of Rs.140.52 Lacs (equivalent to 3.45 Lacs USD) converted into 22,82,332 Equity Shares (Previous year USD 115 Lacs FCCB Converted into 34,46,046 Equity Shares) @ Rs.130/-	2,967.04	4,479.86
Add: Premium on allotment under ESOS 2007 (includes Rs. 785.28 Lacs pertaining to prior year)	981.60	—
Add: Premium collected on conversion of warrants into 46,30,000 Equity Shares @ Rs.120/-	—	5,556.00
Sub total	20,183.65	17,940.27
Less: Premium payable on redemption of FCCB (includes Rs. 51.93 Lacs relating to prior year)	2,175.85	677.14
Less: Expenses incurred on issue of FCCB	—	1,028.12
Balance - At the end of the year	18,007.80	16,235.01

- b) As stated in Significant Accounting Policies No. 14 of Schedule 19, the Company charges the premium payable on redemption of Foreign Currency Convertible Bonds to the securities premium account over the life of the bond. Had the Company provided the full liability of premium payable on redemption of bonds in terms of the provisions of Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' in Securities Premium Account in the year of issue, the additional liability would have been Rs. 8,989.49 Lacs.

5. Secured Loans

I. Term Loans

- a) Term loans availed from banks are secured by:
- Equitable mortgage of the Company's immovable property at Raj Bollaram Village.
 - First pari passu charge on all Plant & Machinery, present and future and pari passu second charge on all the current assets both present and future.
 - The personal guarantees of certain directors.
- b) Amounts repayable within twelve months in respect of long term loans: Rs.2,610.38 Lacs (31st March 2008: Rs.Nil)

II. Working Capital Loans

- a) Working Capital loans availed from banks are secured by:
- First pari passu charge on all the moveable properties both present and future including without its limitation its stock in trade, receivables, investments, deposits and other movables.
 - First pari passu charge on all the current assets and pari passu second charge on all the moveable fixed assets of the Company.
 - The personal guarantees of certain directors.
- b) Amounts repayable within twelve months in respect of working capital loans: Rs.11,832.06 Lacs (31st March, 2008: Rs.3,989.66 Lacs)

III. Vehicle loans

- a) Vehicle loans from banks and others are secured by hypothecation of vehicles acquired out of the said loans.
- b) Amounts repayable within twelve months in respect of vehicle loans:
Rs. 5.92 Lacs (31st March, 2008: Rs 3.65 Lacs).

6. Unsecured Loans

Foreign Currency Convertible Borrowings:

The Company raised US\$ 25 Million ('FCCB-I') on 09.06.2007 and US\$ 50 Million ('FCCB-II') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds. Bond holders have an option to convert each bond of US\$ 100000 into shares of Rs. 10/- each at the conversion price of Rs.140/- in respect of the FCCB-I and at the conversion price of Rs.290/- in respect of FCCB-II. The bonds are redeemable with a yield to maturity of 7.25% in case of FCCB-I and 6.65% in case of FCCB-II. During the year 2,282,332 (31.03.2008: 3,446,046) shares were allotted out of the FCCB-I consequent to conversion of 75 bonds (31.03.2008: 115 bonds) aggregating to US\$ 7.5 Million (31.03.2008 US\$11.5 Millions). The balance bonds unless converted will be redeemed on 3rd June 2012 in respect of FCCB-I and on 4th February, 2013 in respect of FCCB-II

FCCB-I PRICE RESET: Pursuant to the terms and conditions of FCCB-I, the FCCB-I Bonds conversion price has been reset on 04-Dec-2008 from Rs.140 to Rs.112

Movement of Foreign Currency Convertible Bonds is given below:

Rs. in lacs

Particulars	As at March 31, 2009			As at March 31, 2008		
	FCCB-I	FCCB-II	Total	FCCB-I	FCCB-II	Total
Balance- At the commencement of the year	5,496.06	19,785.00	25,281.06	—	—	—
Add: FCCB raised during the year.	—	—	—	10,180.00	19,785.00	29,965.00
Add: Foreign exchange Loss (net)	689.15 (Refer Note1)	6,302.15 (Refer Note2)	6,991.30	—	—	—
Less: Converted into equity shares 75 Bonds (Previous Year 115 Bonds) of face value USD 100,000 each	3,054.75	—	3,054.75 (Refer Note3)	4,683.94	—	4,683.94
Balance - At the end of the year	3,130.46	26,087.15	29,217.61	5,496.06	19,785.00	25,281.06

1. Includes foreign exchange gain of Rs.100.10 Lacs pertaining to previous year.
2. Includes foreign exchange loss of Rs.200 Lacs pertaining to previous year.

7. Derivatives

Derivatives and unhedged foreign exchange exposures.

7.1 The Company uses forward contracts to hedge its risks associated with foreign exchange fluctuations relating to certain commitments. The Company does not use the forward contracts for speculative purpose.

Currency	Cross Currency	Nature	As at 31.03.2009			As at 31.3.2008		
			No. of contracts	Foreign Currency (Lacs)	Rs. (Lacs)	No. of contracts	Foreign Currency (Lacs)	Rs. (Lacs)
USD	INR	Buy	1	2	104.35	—	—	—

7.2 Exchange Difference in respect of forward exchange contracts to be recognized in the profit and loss account in subsequent accounting period amounts to Rs. 0.29 Lacs (31st March 2008:Rs.Nil)

7.3 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

Particulars	As at 31.03.09		As at 31.03.08	
	US Dollar (lacs)	Rupee Equivalent (lacs)	US Dollar (lacs)	Rupee Equivalent (lacs)
A. Amount Receivable on account of Export of Goods	301.38	15,724.41	—	—
Other Receivables	698.06	36,420.72	—	—
B. Amount Payable on account of Import of Goods & Services	165.47	8,633.07	—	—
Capital Imports	21.44	1,112.39	—	—
Foreign Currency Convertible Bonds	560.00	29,217.61		
Other Payables	104.75	5,465.37	—	—

8. Related Party Disclosures

8.1 Related Parties and Nature of Relationship

8.1.1 Enterprises where control exists:

Subsidiaries

Subsidiaries of Bartronics India Limited	Country of Incorporation	Percentage of ownership interest
1. Bartronics America Inc.	USA	100%
2. Bartronics Asia Pte Ltd.	Singapore	100%
3. ROI Public Relations Pvt Ltd. (India)	India	62.5%
Subsidiaries of Bartronics America Inc.		
1. SRG America Inc	USA	100%
Subsidiaries of SRG America Inc.		
1. Performica Software Pvt. Ltd.	India	100%
2. Quality E People	Canada	100%
Subsidiary of Bartronics Asia Pte Ltd.		
Bartronics Hongkong	Hong Kong	100%

8.1.2 Key Management Personnel

Mr. Sudhir Rao - Managing Director

Mr. T Venkateswara Rao - Whole Time Director

Mr. S. T. Prasad - Whole Time Director

8.2 Related Party Transactions

Rs. in lacs

Transactions	Subsidiaries		Key Management Personnel and their relatives	
	2008-09	2007-08	2008-09	2007-08
Sales				
Bartronics Asia Pte Ltd.	36.22	—	—	—
Advances to				
Bartronics America Inc.	*5,727.60	*19,684.67		
Bartronics Asia Pte Ltd.	*2,610.40	*8,396.92		
ROI Public Relations Pvt Ltd. (India)	21.06	—	—	—
Advances from				
Performica Software Pvt. Ltd.	720.27			
Investment in Equity Shares				
Bartronics America Inc.	—	0.60	—	—
Bartronics Asia Pte Ltd.	-	204.38	—	—
ROI Public Relations Pvt Ltd. (India)	3.13	—	—	—
Balances Outstanding Advances & Receivables				
Bartronics America Inc.	25,412.27	19,684.67		
Bartronics Asia Pte Ltd. #	11,044.88	8,396.92		
ROI Public Relations Pvt Ltd. (India)	21.06	—		
Balance Outstanding Payable				
Performica Software Pvt. Ltd.	720.27	—		
Remuneration Paid			140.22	80.62
Sudhir Rao	—	—	82.18	56.62
S T Prasad	—	—	34.00	—
T Venkateswara Rao	—	—	24.04	24.00

* includes foreign exchange fluctuation of Rs. 6,985.85 Lacs (31.03.2008 Rs.155.21 Lacs)

includes receivables balance of Rs.37.57 Lacs (31.03.2008 Rs.Nil)

9. Disclosure as per Clause 32 of the Listing Agreement

Loans and Advances in the nature of Advances given to Subsidiaries:

Rs. in lacs			
Name of the Company	Relationship	Amount outstanding as on 31.03.09	Maximum Balance outstanding during the year
Bartronics Asia Pte Ltd	Subsidiary	11,007.32	11,007.32
		<i>8,396.92</i>	<i>8,396.92</i>
Bartronics America Inc	Subsidiary	25,412.27	26,539.48
		<i>19,684.67</i>	<i>19,684.67</i>
ROI Public Relations Pvt Ltd	Subsidiary	21.06	24.18
		—	—
Total		36,440.65	37,570.98
		<i>28,081.59</i>	<i>28,081.59</i>

Figures in italics represent previous year's figures.

10. Managerial Remuneration

Rs. in lacs		
Particulars	2008-09	2007-08
Salaries & Allowances	140.09	80.53
Contribution to Provident Fund	0.13	0.09
Directors' Sitting Fees	1.09	0.06
Total	141.31	80.68

The above excludes provision for gratuity, which is actuarially determined on an overall basis

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956

Rs. in lacs		
Particulars	2008-09	2007-08
Profit before tax	6,812.47	4,103.77
Add:		
Managerial Remuneration	141.31	80.68
Provision for doubtful debts/Advances/ Deposits	322.35	—
Bad debts / Advances written off	34.31	38.33
Provision for Wealth Tax	0.47	—
Depreciation	2,772.34	317.92
Loss on sale of Fixed Assets	100.94	—
(Less):		
Depreciation under Section 350 of the Companies Act,1956	2,755.58	317.92
Profit on sale of Fixed Asset	—	89.49
Net Profit/(Loss) as per Section 309 (5)	7,428.61	4,133.29
Commission	—	—
Non-whole-time Directors - 1 % of Net Profit restricted to	—	—
Total Commission -	—	—

11. Auditors' Remuneration (excluding Service Tax)

Particulars	Rs. in lacs	
	2008-09	2007-08*
Audit fees	15.00	0.60
Other Services		
Limited Reviews	20.00	—
Statutory Certification	—	0.15
Total	35.00	0.75

* paid to previous auditors

12. Employees' Stock Option Scheme (ESOP)

12.1 The shareholders of the Company at their Extra Ordinary General Meeting (EGM) held on 29th January, 2007 approved 800,000 stock options under Employees Stock Option Scheme, representing 800,000 equity shares of Rs. 10/- each to the employees and directors of the Company. The Compensation Committee of the Board of Directors of the Company at its meeting held on 29th January, 2007, granted 800,000 stock options at an exercise price of Rs. 10 per option. Subsequently the shareholders at their EGM held on 25th February, 2008 approved to amend the ESOS 2007 to vary the vesting schedule so as to enable 100% vesting of the options granted at the end on the first year from the date of grant of the options.

The Company has not created employee stock compensation expenses account in the previous years. Accordingly Rs. 981.60 Lacs being the employee compensation expenses towards ESOS 2007 and Rs. 451.65 Lacs being the FBT and interest thereon relating to previous year has been accounted as expenditure under Prior period expenditure in the current year

12.2 The Shareholders of the Company at their EGM held on 25th February, 2008 approved the Employees Stock Option Scheme 2008, ESOS 2008 for granting 6,00,000 options to employees including directors of the Subsidiary Companies and 350,000 options to employees including directors of the Company. The compensation committee at their meeting held on 25.02.2008 granted 5,49,805 options to employees including directors of the Subsidiary Companies and 34,236 options to employees including directors of the Company. Subsequently the shareholders at their Annual General Meeting held on 29.09.2008 approved to amend the ESOS 2008 to vary the vesting schedule so as to enable subsidiary Company employees' stock options to vest in a maximum period of 4 years from the date of grant.

All the option holders to whom stock options were granted under ESOS 2008 have requested the Company to terminate the entire stock options granted to them in terms of clause 1.4 of the ESOS-2008 vide letter dated 3rd January 2009. The Board of Directors, in their meeting held on 29th January, 2009 has terminated the entire stock options granted to them. Accordingly, the Company has not accounted for employee stock option expenses of Rs. 1,587.31 Lacs during the year.

12.3 Method used for accounting for share based payment plan:

The Company has used the intrinsic value method to account for the compensation cost of stock option to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

Movement in the options under ESOP 2007 & ESOP 2008

Particulars	ESOP 2007		ESOP 2008	
	Options	Weighted average exercise price per stock option Rs.	Options	Weighted average exercise price per stock option Rs.
Options outstanding as at 1st April 2008	160,000	10.00	584,041	10.00
Options exercisable as at 1st April 2008	160,000	10.00	—	—
Granted during the year				
— To employees of the Company	—	—	—	—
— To employees of Subsidiary Companies	—	—	—	—
Exercised options during the year	160,000	10.00	—	—
Lapsed options during the year	—	—	—	—
Cancelled options during the year	—	—	584,041	10.00
Options outstanding as at 31st March 2009	—	—	—	—
Options exercisable as at 31st March 2009	—	—	—	—

13. Segment Reporting

13.1 The activities of the Company relate to only one business segment i.e. the business of providing Automatic Identification & Data Capture (AIDC) solutions.

13.2 Information relating to Secondary Segment

Rs. in Lacs

Particulars	Segment Revenue				Segment Assets			
	Sales				Debtors			
	2008-2009		2007-2008		2008-2009		2007-08	
Hong Kong	20,060.86	53.37%	5,903.45	32.20%	15,148.84	69.43%	750.24	15.34%
USA	6,212.71	16.53%	3,443.94	18.79%	1,277.20	5.85%	710.11	14.52%
Others	648.66	1.72%	4,694.48	25.61%	37.57	0.17%	1,123.44	22.99%
Total Outside								
India	26,922.23	71.62%	14,041.87	76.60%	16,463.61	75.45%	2,583.79	52.85%
Within India	10,666.52	28.38%	4,288.54	23.40%	5,356.58	24.55%	2,305.58	47.15%
Total	37,588.75	100.00%	18,330.41	100.00%	21,820.19	100.00%	4,889.37	100.00%

14. Composition of Deferred Tax Liability

Rs. in lacs

Particulars	As at 31.03.2008	Movement during the year	As at 31.03.2009
Deferred Tax Liability :			
Relating to Fixed Assets	413.00	1,194.16	1,607.16
Total	413.00	1,194.16	1,607.16
Deferred Tax Assets:			
Provision for Doubtful Debts/ Advances/ Deposits	—	109.57	109.57
Disallowances under Section 43B	—	12.19	12.19
Deferred Tax Asset on transitional provisions as per AS-15 adjusted in opening profit and loss account	—	3.19*	3.19
Total	—	124.95	124.95
Net Deferred Tax Liability	413.00	1,069.21	1,482.21

* Adjusted directly in the opening profit and loss account.

15. Earnings Per Share

	2008-09	2007-08
Profit after Taxation (Rs. in Lacs)	4,811.39	3,273.30
Weighted average no. of equity shares outstanding	28,307,253	19,356,526
Add: Dilutive effect of potential shares out of Stock Options/ FCCB etc., outstanding	2,630,217	11,977,776
Weighted average number of equity shares	— Basic	28,307,253
	— Diluted	30,937,470
Earnings per share on profit/(loss) after taxation (Face Value: Rs. 10/ each) - Rs.		
	— Basic	17.00
	— Diluted	15.55*

*Note: The effect of dilution on account of foreign currency convertible bonds pending conversion are anti dilutive and hence ignored in the calculation of Diluted Earnings Per Share.

16. Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

(a) Capacities & Production

Particulars	Unit	2008-09	2007-08
		Installed Capacity	Installed Capacity
Smart Cards	Nos.	50,000,000	50,000,000
Magnetic Strip Cards	Nos.	30,000,000	30,000,000

Notes: 1. Licensed capacity is not applicable in terms of the Government of India Notification No. 477 (E) dated 25th July, 1991.

2. As certified by the Management.

3. In view of technical nature of the products, the quantitative details of production have not been given.

(b) Turnover, Opening and Closing Stocks

Particulars	Unit	2008-09		2007-08	
		Qty	Rs.in lacs	Qty	Rs.in lacs
Sales					
AIDC Hardware, Software, Smartcards, and Magnetic Cards	Nos.	7,379,867	16,275.11	6,760,818	11,896.45
Software- Development	Nos.	1,800	21,313.64	22,115	6,433.96
Total			37,588.75		18,330.41
Opening Stock					
AIDC Hardware & Software Traded	Nos.	18,781	128.68	16,649	120.23
Others		—	1.03	—	—
Total			129.71		120.23
Closing Stock					
AIDC Hardware & Software Traded	Nos.	22,135	79.37	18,781	128.68
Others		—	22.82	—	1.03
Total			102.19		129.71

(c) Purchase of Traded Goods

Particulars	2008-09			2007-08		
	Unit	Qty	Rs. in lacs	Unit	Qty	Rs. in lacs
AIDC Hardware & Software	Nos.	7,383,221	11,781.54	Nos.	6,762,950	5,958.05

(d) Consumption of Raw Materials

Particulars	2008-09			2007-08		
	Unit	Qty	Rs. in lacs	Unit	Qty	Rs. in lacs
AIDC Software	Nos.	1,992	9,073.06	Nos.	149	5,621.22
Others		—	782.65		—	1,053.80
Total			9,855.71			6,675.02

(e) Consumption of directly imported and indigenously obtained Raw Materials, Stores and Spares and Components

Particulars	2008-09		2007-08	
	Rs.in lacs	%	Rs. in lacs	%
Raw Materials				
— Imported	9,855.71	100%	6,675.02	100%
— Indigenous	—	—	—	—
Total	9,855.71	100%	6,675.02	100%

(f) CIF Value of Imports

Particulars	Rs. in lacs	
	2008-09	2007-08
Raw Material	16,289.73	1,818.63
Capital Goods	22,741.16	4,214.21

(g) Earnings in Foreign Exchange (on accrual basis)

Particulars	Rs. in lacs	
	2008-09	2007-08
FOB Value of Exports	21,518.99	6,433.96

(h) Expenditure in Foreign Currency (on accrual basis)

Particulars	Rs. in lacs	
	2008-09	2007-08
Foreign Travel	17.80	9.84
Others	32.93	14.76

17. Disclosures as required under Accounting Standard AS-15

17.1 The Accounting Standard- 15 on 'Employee benefits' prescribed by the Central Government has been adopted by the Company from 1st April, 2008. In accordance with the transitional provisions specified in the said Accounting Standard Rs. 6.19 Lacs (net of deferred tax of Rs. 3.19 Lacs) has been adjusted against the opening Profit & Loss Account as at 1st April, 2008. Further, the liability for the year determined as per the Standard, has been accounted for in the financial statements. The effect on the profit for the year consequent to the implementation of the provisions of the Standard is not material.

17.2 Details of Employee Benefits as required by the Accounting Standard-15 "Employee Benefits" are as follows:

Gratuity Plan (Unfunded)**17.2.1 Components of Employer Expense**

Particulars	Rs. in lacs
	2008-09
Current Service Cost	1.42
Interest Cost	1.87
Expected Return on Plan Assets	—
Actuarial Losses/(Gains)	(6.83)
Total expense recognised in the Statement of Profit & Loss Account	(3.54)

17.2.2 Change in Defined Benefit Obligations (DBO)

Rs. in lacs

Particulars	2008-09
Present Value of DBO at Beginning of Year	13.96
Unrecognised past service cost (transitional provision adjusted)	9.38
Current Service Cost	1.42
Interest Cost	1.87
Actuarial (Gains)/Losses	(6.83)
Benefits Paid	(1.21)
Present Value of DBO at the End of Year	18.59

17.2.3 Actuarial Assumptions

Discount Rate	:	8%
Attrition Rate	:	10%
Salary Escalation Rate	:	10%

18. Income tax

Current tax represents income tax payable on the book profits computed under section 115JB of the Income Tax Act, 1961.

19. Disclosure in respect of Operating Leases

The Company's leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc). General descriptions of the leasing arrangements are:

- (i) All the agreements are cancellable in nature and range between 11 months to 3 years.
- (ii) Under all the agreements, refundable interest free deposits have been given.
- (iii) Some of the agreements provide for increase in rent.
- (iv) Some of the agreements provide for early termination by either party with a notice period which varies from 15 days to 3 months.
- (v) Some of the agreements contain a provision for its renewal by mutual consent on mutually agreeable terms.
- (vi) Lease payments recognised in the statement of profit and loss for the year: Rs. 90.03 Lacs (2007-08 : Rs. 55.84 Lacs).

20. Prior Period Expenses grouped under Schedule 17- "Administrative Selling and other expenses" includes the following items relating to earlier years.

Particulars	Rs.in Lacs
	Amount
Employee Stock Option Compensation of ESOS-2007 Plan	981.60
Fringe Benefit Tax on stock options exercised and interest thereon	451.65
Foreign exchange loss on advances given to subsidiaries	105.26
Foreign exchange loss on foreign currency convertible bonds (net).	99.90
Loss on sale of Fixed Assets	100.94
Total	1,739.35

21. There is no supplier covered under the Micro, Small & Medium Enterprises Development Act, 2006 (the Act). This information and that given in Schedule 11- "Current Liabilities and Provisions" has been determined based on the details regarding the status of the supplier obtained by the Company. This has been relied upon by the auditors.
22. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform to current year's presentation.

For and on behalf of the Board

Sudhir Rao
Managing Director

T Venkateswara Rao
Whole Time Director

V.V.Ramakrishna
General Manager (F&A)

Fahim Aslam Khan
Company Secretary

Place : Hyderabad
Date : 02.09.2009

**CONSOLIDATED
AUDITED FINANCIAL ACCOUNTS**

AUDITORS' REPORT

To
The Board of Directors
BARTRONICS INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of BARTRONICS INDIA LIMITED ('the Company') and its Subsidiaries, (collectively referred as 'the Group') as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These consolidated financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Deferred tax liability to the extent of Rs. 1,663.40 Lacs has not been provided in the financial statements. Consequently, Profit for the year After Tax and the Reserves and Surplus are overstated by Rs. 1,663.40 Lacs and the Deferred Tax Liability (net) is understated by Rs.1,663.40 Lacs. Accordingly, Earnings Per Share (EPS) both basic and diluted has been overstated by Rs. 5.88 per share and Rs. 5.38 per share respectively.
4. (a) As stated in Note 1 (b) of Schedule 20, the financial statements of one of the subsidiary has not been considered in the preparation of consolidated financial statements, for reasons stated therein,
(b) As stated in Note 1 (b) of Schedule 20, the financial statements of certain subsidiaries whose financial statement include Group's share of total net assets of Rs.669.61 Lacs as at March 31, 2009, Group's share of total revenue of Rs. 21,211.19 Lacs, net cash flows of Rs. (166.58) Lacs and Group's share of profit (net) of Rs. (2,746.67) Lacs for the year then ended have been considered on the basis of unaudited financial statements prepared by the management.
5. We report that:
 - (a) the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21, Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006 ;
 - (b) based on our audit and on the other financial information of the components, subject to the effect on the financial statements of the matters referred in paragraphs 3 and 4 above, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2009;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells

Chartered Accountants

GANESH BALAKRISHNAN

Partner

Membership No: 201193

Place : Hyderabad

Date : 2nd September 2009

Consolidated Balance Sheet as at 31st March, 2009

Particulars	Schedule No	Note Reference	Rs. in Lacs	
			As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	5	2,897.75	2,653.51
Reserves and Surplus	2	6	28,272.03	24,793.65
			31,169.78	27,447.16
Loan Funds				
Secured Loans	3	7	25,744.09	6,022.15
Unsecured Loans	4	8	29,217.61	25,281.06
			54,961.70	31,303.21
Deferred Tax Liability (Net)	14		1,482.21	413.00
TOTAL			87,613.69	59,163.37
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5		50,337.93	26,585.53
Less: Depreciation & Amortisation			3,825.71	914.04
Net Block			46,512.22	25,671.49
Capital work-in-progress			3,144.38	12,028.85
[(Includes Capital Advances Rs.1,427.69 Lacs) (31.03.2008 : Rs.99.31 Lacs)]			49,656.60	37,700.34
Investments	6		3.13	-
Current Assets, Loans & Advances				
a. Inventories	7		1,300.28	5,043.41
b. Sundry Debtors	8		33,530.91	7,963.80
c. Cash and Bank Balances	9		1,382.26	1,649.34
d. Loans and Advances	10		21,657.49	11,639.08
			57,870.94	26,295.63
Less: Current Liabilities & Provisions				
a. Liabilities	11		14,766.88	3,353.00
b. Provisions			5,150.10	1,630.85
			19,916.98	4,983.85
Net Current Assets			37,953.96	21,311.78
Miscellaneous Expenditure	12		-	151.25
(to the extent not written off or adjusted)				
TOTAL			87,613.69	59,163.37

Significant Accounting Policies &
Notes to the Accounts

19 & 20

Schedules 1 to 20 annexed hereto form an integral part of these accounts

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan

Partner

Place : Hyderabad

Date : 02.09.2009

*

Sudhir Rao

Managing Director

V.V.Ramakrishna
General Manager (F&A)

T Venkateswara Rao

Whole Time Director

Fahim Aslam Khan
Company Secretary

Place : Hyderabad

Date : 02.09.2009

Consolidated Profit & Loss Account for the Year Ended 31st March 2009

Rs. in Lacs

Particulars	Schedule No	Note Reference Schedule No. 20	Year ended 31.03.2009	Year ended 31.03.2008
INCOME				
Gross Sales			58,858.28	27,100.15
Less: Excise Duty			58.34	18.00
Net Sales			58,799.94	27,082.15
Other Income	13		264.17	114.03
			59,064.11	27,196.18
EXPENDITURE				
Cost of Goods Sold	14		36,202.41	18,619.32
Manufacturing Expenses	15		60.02	31.35
Personnel Expenses	16		2,724.42	930.28
Administrative, Selling and Other Expenses	17		5,342.35	1,030.32
Foreign Currency Translation Loss		18	5,280.81	-
Interest & Finance Expenses	18		2,184.84	378.96
Depreciation & Amortisation	5		2,920.79	323.99
Miscellaneous Expenditure written Off	12		176.30	37.17
			54,891.94	21,351.39
			4,172.17	5,844.79
Profit Before Tax				
Taxation				
- Current Tax (include Rs. 15.68 Lacs relating to earlier years)			902.04	862.93
- Deferred Tax (include Rs.682.00 Lacs relating to earlier years)14			1,072.40	233.40
- Fringe Benefit Tax			133.01	3.77
Profit After Tax			2,064.72	4,744.69
Balance brought forward from Previous Year			8,558.64	3,813.95
Less: Adjustment towards employee benefits (net of deferred tax of Rs.3.19 Lacs) in accordance with the transitional provisions of AS – 15, 'Employee Benefits'			6.20	-
Balance available for appropriations			10,617.16	8,558.64
Appropriations:				
- Transfer to General Reserve			125.00	-
- Dividend Distribution Tax			51.27	-
- Proposed Dividend			301.66	-
Balance Carried to Balance Sheet			10,139.23	8,558.64
Earnings per Share (Face Value of Rs.10 each)		15		
Basic			7.29	24.51
Diluted			6.67	15.14

Significant Accounting Policies &
Notes to the Accounts

19 & 20

Schedules 1 to 20 annexed hereto form an integral part of these accounts

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan

Partner

Place : Hyderabad

Date : 02.09.2009

Sudhir Rao

Managing Director

V.V.Ramakrishna
General Manager (F&A)**T Venkateswara Rao**

Whole Time Director

Fahim Aslam Khan
Company SecretaryPlace : Hyderabad
Date : 02.09.2009

Consolidated Cash Flow Statement for the period ended 31.03.2009

Rs. in Lacs

Particulars	Year ended 31.03.2009	Year ended 2007-08
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	4,172.17	5,844.79
Adjusted for:		
Wealth Tax	0.47	-
Depreciation & Amortisation	2,920.79	323.99
Miscellaneous Expenditure written off (net)	151.25	9.97
Employee Compensation Expense under ESOS (Refer Note 20 to Schedule 20)	981.60	-
Fringe Benefit Tax and interest thereon (Refer Note 20 to Schedule 20)	451.65	-
Foreign Exchange loss on FCCB (net) (Refer Note 20 to Schedule 20)	99.90	-
Interest income	(14.69)	(19.38)
Interest expense	2,184.84	378.96
Unrealised Foreign Exchange loss (Net)	6,837.50	-
Loss / (Profit) on sale of fixed assets (Refer Note 20 to Schedule 20)	100.94	(89.49)
Operating profit before working capital changes	17,886.42	6,448.84
Changes in:		
Trade and other receivables	(34,216.01)	(5,309.61)
Inventories	3,743.13	(4,218.10)
Trade and other payables	9,953.93	(676.64)
Cash used in from operations	(2,632.53)	(3,755.51)
Taxes paid	(20.50)	11.84
NET CASH USED IN OPERATING ACTIVITIES (A)	(2,653.03)	(3,743.67)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed assets (after adjustment of increase/ decrease in capital work in progress and advances for capital expenditure)	(14,928.30)	(35,785.37)
Sale of Fixed asset	-	109.00
Interest received	6.22	19.38
Investment in subsidiary	(3.13)	-
NET CASH USED IN INVESTING ACTIVITIES (B)	(14,925.21)	(35,656.99)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (net of repayments)	11,637.28	31,850.32
Proceeds from short term borrowings (net of repayments)	7,842.40	3,085.99
Interest & Finance Expenses Paid	(2,184.84)	(378.96)
Proceeds from Issue of Equity Capital	16.00	64.00
Securities Premium Received	-	5,556.00
Development Costs- Miscellaneous Expenditure	-	(887.60)
Others	-	1,739.91
NET CASH FROM FINANCING ACTIVITIES (C)	17,310.84	41,029.66

Consolidated Cash Flow Statement for the period ended 31.03.2009

Rs. in Lacs

Particulars	Year ended 31.03.2009	Year ended 2007-08
D) Effects of exchange differences on translation of foreign currency cash & cash equivalents (D)	0.32	-
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(267.08)	1,629.00
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	1,649.34	20.34
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	1,382.26	1,649.34

Notes:

- 1) The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211(3C) of the Companies Act, 1956.
- 2) Cash and Cash Equivalents include Rs. 515.06 lacs (31.03.2008: Rs. 18.57 lacs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
- 3) Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
- 4) Figures in bracket represents cash outflow.
- 5) Schedules 19 and 20 annexed hereto form an integral part of the Cash Flow statement.

As per our report of even date attached

For and on behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

Ganesh Balakrishnan
Partner**Sudhir Rao**
Managing Director**T Venkateswara Rao**
Whole Time Director

Place : Hyderabad

V.V.Ramakrishna**Fahim Aslam Khan**

Place : Hyderabad

Date : 02.09.2009

General Manager (F&A)

Company Secretary

Date : 02.09.2009

Schedules forming part of the Consolidated Balance Sheet

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 1: Share Capital			
Authorised			
60,000,000 Equity Shares of Rs.10/- each (31.03.2008: 60,000,000 Equity Shares of Rs. 10/- each)		6,000.00	6,000.00
Issued, Subscribed & Paid Up			
28,977,456 Equity Shares of Rs.10/- each (31.03.2008 26,535,124 ⁴⁴ Equity Shares of Rs.10/- each) (Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 Lacs from the Profit and Loss account)	5	2,897.75	2,653.51
		2,897.75	2,653.51
Schedule 2: Reserves and Surplus			
Securities Premium Account			
At the commencement of the year	6	16,235.01	7,904.41
Add: Premium on conversion of FCCB's		2,967.04	4,479.86
Less: Redemption premium on FCCB		2,175.85	677.14
Less: FCCB issue expenses		-	1,028.12
Add: Premium on allotment of ESOS 2007		981.60	-
Add: Premium on allotment of share warrants		-	5,556.00
	(a)	18,007.80	16,235.01
General Reserve			
At the commencement of the year			
Add: Transfer from Profit and Loss Account		125.00	-
	(b)	125.00	-
Profit and Loss Account - Balance			
		10,139.23	8,558.64
	(c)	10,139.23	8,558.64
	(a+b+c)	28,272.03	24,793.65
Schedule 3: Secured Loans			
Loans from Banks			
Term Loans	7	13,903.93	2,026.23
Working Capital Loans		11,832.06	3,989.66
Vehicle Loans		5.59	2.24
Other Loans			
Hire Purchase Vehicle Loan		2.51	4.02
		25,744.09	6,022.15
Schedule 4: Unsecured Loans			
Other Loans			
Foreign Currency Convertible Bonds (FCCB-I Redeemable in 2012 and FCCB-II Redeemable in 2013)	8	29,217.61	25,281.06
		29,217.61	25,281.06

Schedules forming part of the Consolidated Balance Sheet

Schedule 5: Fixed Assets

Rs. in Lacs

	Gross Block (At Cost)			Depreciation / Amortisation			Net Block	
	As At 01.04.08	Additions	Deletions / Adjustment (Note 1)	As At 31.03.09	For the year	Deletions / Adjustment (Note 1)	As At 31.03.09	As At 31.03.08
Tangible								
Land	41.92	-	-	41.92	-	-	41.92	41.92
Buildings	165.51	241.78	110.06	297.23	2.67	9.12	294.24	156.07
Plant And Machinery	522.55	6,649.93	-	7,172.48	396.15	-	6,738.28	484.50
Electrical Installation	104.92	275.91	-	380.83	18.46	-	358.16	100.71
Office Equipment	34.14	8.90	-	43.04	15.20	-	17.16	23.46
Furniture & Fixtures	188.12	74.44	-	262.56	82.09	-	105.30	112.95
Computers	4,628.81	341.67	-	4,970.48	1,014.62	-	3,614.51	4,287.46
Vehicles	144.53	6.49	-	151.02	28.57	-	76.18	98.26
Intangible								
Goodwill (Note 2)	19,607.82	-	-	19,607.82	-	-	19,607.82	19,607.82
Intellectual Property Rights	-	119.82	-	119.82	3.94	-	115.88	-
Software	1,147.21	16,143.52	-	17,290.73	1,359.09	-	15,542.77	758.34
Total	26,585.53	23,862.46	110.06	50,337.93	2,920.79	9.12	46,512.22	25,671.49
Capital Work in Progress	-	-	-	-	-	-	1,716.69	11,929.54
Capital Advance	-	-	-	-	-	-	1,427.69	99.31
Sub-Total	-	-	-	-	-	-	3,144.38	12,028.85
Grand Total	-	-	-	-	-	-	49,656.60	37,700.34
<i>Previous year</i>	<i>1,659.04</i>	<i>24,946.00</i>	<i>19.51</i>	<i>26,585.53</i>	<i>323.99</i>	-	<i>25,671.49</i>	<i>1,164.53</i>

Note 1 : Adjustment represents sale of building pertaining to the previous year.

Note 2 : Refer Note 3 of Schedule 19

Note 3 : The Company has entered into an agreement with IRIS Smart Cards Ltd ('IRIS') on 10th January, 2008 to acquire the assets of IRIS for a lumpsum consideration of Rs. 2,078.23 Lacs. The amounts relating to acquisition have been reclassified during the year and depreciation effect has been given in the current year.

Schedules forming part of the Consolidated Balance Sheet

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 6: Investments			
Investments-Unquoted			
Long Term investment (At cost Less Provision for Diminution in value)			
Investment in Subsidiaries-Trade			
	No.of Equity Shares	Share Face Value	
- ROI Public Relations Pvt Ltd (Acquired during the year)	31,250	INR 10	
			3.13
			-
			3.13
Aggregate Book Value of Quoted Investments			-
Aggregate Book Value of Unquoted Investments			3.13
Schedule 7: Inventories			
Raw Materials		1,170.65	1,229.74
Work in Process		27.44	0.09
Finished Goods		102.19	3,813.58
		1,300.28	5,043.41
Schedule 8: Sundry Debtors			
(Unsecured)			
Debts Outstanding for a period exceeding six months			
Considered good		1,113.88	2,055.17
Considered Doubtful		240.29	-
Less: Provision for Doubtful Debts		(240.29)	-
		1,113.88	2,055.17
Other Debts- Considered good		32,417.03	5,908.63
		33,530.91	7,963.80
Of the above: Considered Good		33,530.91	7,963.80
Considered Doubtful		240.29	-
Schedule 9: Cash and Bank Balances			
Cash in Hand		2.03	1.08
Cheques in Hand		7.97	-
Balances with scheduled banks			
Current Accounts		146.56	551.47
Fixed Deposits*		1.99	8.79
Margin Deposits*		513.07	9.78
Balances with non-scheduled banks		710.64	1,078.22
		1,382.26	1,649.34
* (Lodged with Banks against guarantees and Letter of Credit issued)			

Schedules forming part of the Consolidated Balance Sheet

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		As at 31.03.2009	As at 31.03.2008
Schedule 10: Loans and Advances (Unsecured)			
"Loans & Advances to Subsidiaries “(Maximum amount outstanding during the year Rs.24.18) ”		21.06	-
Advances recoverable in cash or in kind for value to be received			
-Supplies		16,541.21	10,072.55
-Others		4,402.24	1,323.15
Deposits		639.81	155.27
Advance Tax and Tax Deducted at Source		32.36	11.86
Interest receivable		8.48	-
Prepaid Expenses		30.01	20.36
Balance with Customs & Excise Authorities		64.38	55.89
		<u>21,739.55</u>	<u>11,639.08</u>
Less: Provision for Doubtful Advances		(82.06)	-
		<u>21,657.49</u>	<u>11,639.08</u>
Of the above: Considered Good		21,657.49	11,639.08
Considered Doubtful		82.06	-
Schedule 11: Current Liabilities & Provisions			
A) Current Liabilities			
Sundry Creditors			
Due to Micro & Small Enterprises		-	-
Due to others			
- For Goods & Services		13,256.54	2,772.16
- For Capital Works		52.38	2.68
- Others		221.71	172.24
Other Liabilities		671.18	92.04
Advances from Customers		565.07	313.88
Liability towards Investor Education and Protection Fund		-	-
		<u>14,766.88</u>	<u>3,353.00</u>
B) Provisions			
Proposed Dividend		301.66	-
Dividend Distribution Tax		51.27	-
Provision for premium payable on redemption of FCCBs		2,651.37	667.97
Provision for Taxation		1,465.56	943.34
Fringe Benefit Tax		661.65	5.58
Employee Benefits	16	18.59	13.96
		<u>5,150.10</u>	<u>1,630.85</u>
Schedule 12: Miscellaneous Expenditure (To the extent not written off or adjusted)			
Development Costs			
Balance at the commencement of the year		151.25	161.22
Additions during the year		25.05	27.20
		<u>176.30</u>	<u>188.42</u>
Less: Written off during the year		176.30	37.17
		<u>-</u>	<u>151.25</u>

Schedules forming part of the Consolidated Profit and Loss Account

Rs. in Lacs

Particulars	Note Reference Schedule No. 20	Year ended 31st March 2009	Year ended 31st March 2008
Schedule - 13 : Other Income			
Interest Gross (Tax Deducted at Source- Rs. 2.28 Lacs, 31.03.2008: Rs.Nil)		14.69	19.38
Miscellaneous income		249.48	5.16
Profit on Sale of Asset		-	89.49
		264.17	114.03
Schedule 14 : Cost of Goods Sold			
Raw Material Consumed			
Materials Consumed (including software purchased)		24,420.69	12,670.84
Purchase of Finished Goods		11,781.54	5,958.05
		36,202.23	18,628.89
(Increase)/Decrease in Stock			
Closing Stock			
Work-in-Process		27.43	0.09
Finished Goods		102.19	129.71
		129.62	129.80
Opening Stock			
Work-in-Process		0.09	-
Finished Goods		129.71	120.23
		129.80	120.23
		0.18	(9.57)
		36,202.41	18,619.32
Schedule 15 : Manufacturing Expenses			
Factory Maintenance		13.09	8.33
Power & Fuel		21.34	14.17
Repairs & Maintenance		25.59	8.85
		60.02	31.35
Schedule 16 : Personnel Expenses			
Salaries, Wages & Bonus		2,488.63	783.47
Contribution to Provident Fund and other funds		20.94	7.88
Directors Remuneration		140.09	80.53
Staff Welfare Expenses including Employee Benefits	16	74.76	58.40
		2,724.42	930.28

Schedules forming part of the Consolidated Profit and Loss Account

Particulars	Note Reference Schedule No. 20	Rs. in Lacs	
		Year ended 31.03.2009	Year ended 31.03.2008
Schedule 17: Administrative, Selling and Other Expenses			
Rent		527.04	128.59
Insurance		262.04	41.09
Rates & Taxes		91.74	70.39
Printing & Stationery		32.81	72.75
Communication Expenses		74.82	50.56
Travelling & Conveyance		639.00	157.87
Legal & Professional Fees		747.22	186.44
General Expenses		479.17	125.45
Bank Charges		18.69	16.95
Directors Sitting Fees	11	1.09	0.06
Auditor's Remuneration		35.00	0.75
Foreign Exchange Fluctuation Loss (Net)		306.87	125.48
Provision for Doubtful Debts/Advances /Deposits		322.35	-
Bad Debts/Advances Written Off		137.17	38.33
Repairs & Maintenance-Others		19.74	10.04
Freight Outwards		13.51	5.57
Prior Period Expenses	20	1,634.09	-
		5,342.35	1,030.32
Schedule-18: Interest & Finance Expenses			
Interest on Term Loans		870.66	131.50
Interest on Working Capital Loans		651.91	198.27
Finance Charges		662.27	49.19
		2,184.84	378.96

Schedule: 19

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

The consolidated financial statements relates to Bartronics India Limited ("the Company") and its subsidiary companies (the "Group"). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated 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 unrealised profits or losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.
- b) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2009.
- c) The excess of cost to the Company, of its investment in the subsidiaries over the Company's share of equity is recognised in the financial statements as Goodwill.
- d) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.

Minority Interest in the net assets of consolidated subsidiaries consists of:

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
- ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.
- e) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- f) In case of foreign subsidiaries, being integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Foreign subsidiaries being integral, exchange gain/ (loss) arising on consolidation is recognized as Foreign Exchange Fluctuation gain/(loss).
- g) Intra-group balances and intra- group transactions and resulting unrealised profit/loss have been eliminated.
- h) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

2. Basis of preparation of financial statements

The financial statements are based on historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles (Indian GAAP) and accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 211 (3C) of the Companies Act, 1956.

3. Fixed Assets

Tangible Assets

Parent Company:

Fixed Assets are stated at cost (net of duties and taxes) less depreciation. Cost includes installation and expenditure during construction, including import duties freight, insurance and incidental expenses relating to acquisition. Fixed Assets costing less than Rs.5,000 are fully depreciated in the year of purchase. Assessment of indication of impairment of an asset is made at the year-end and impairment loss, if any, is recognised. Depreciation is provided pro-rata on straight line method as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except in respect of the following fixed assets where the rates applied are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956:-

Plant & Machinery	7.42%
Electrical Installations	7.42%

Subsidiaries:

Fixed assets are depreciated on Straight Line method at the rates given below.

Computers	20.00%
Furniture and Fixtures	14.28%
Office Equipment	14.28%
Vehicles	20.00%

Intangible Assets**Parent Company:**

Intangible Assets are stated at cost less amortisation. These are amortised on a straight line basis using the following rates such that the related assets are depreciated over their estimated useful lives.

Goodwill	20.00%
Intellectual Property Rights	10.00%
Software	16.67%

Subsidiaries:

Goodwill on acquisition is being tested for impairment annually and where the recoverable amount is less than the carrying value of the Goodwill, such reduction is recorded as an impairment loss.

4. Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantially period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

5. Investments

Long - Term Investments are stated at cost of acquisition. Provision for diminution in value of long- term investments, other than temporary, is made in accounts.

6. Inventories

Raw materials are valued at cost using First in First Out Method. Semi-finished goods included in Work-in process are valued at cost. Finished goods are valued at cost or net realizable value whichever is lower.

7. Taxes

Current Tax: Provision for current tax is made based on taxable income computed for the year under the applicable tax laws.

Deferred Taxes: Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred Tax assets on accumulated losses and unabsorbed depreciation are recognized only to the extent that there is virtual certainty of realization of such assets in future. The carrying amount of deferred tax asset/ liability is reviewed at each balance sheet date.

8. Employee Benefits

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to contributions.

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. It is a long term employee benefit which is measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

9. Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred by the Company. Gross Sales are inclusive of Excise duty.

10. Foreign Currency Transactions

(a) Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of transactions

and in case of purchase of materials, sale of goods and rendering of services the exchange gains/losses on settlements during the year, are charged to Profit and Loss Account.

Monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. Exchange gains/losses including those relating to fixed assets are dealt with in the Profit and Loss Account.

- (b) Premium or discount on the forward contracts is amortised over the life of such contracts and is recognised as income or expense.

Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognised as income or as expense for the year.

11. Employee Stock Option Schemes (ESOP)

The Company accounts for compensation expense under the Employee Stock Option Schemes using the intrinsic value method as per the Guidance Note "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. The difference between the market price and the exercise price as at the date of granting of option is treated as compensation expense and charged over the vesting period.

12. Leases

Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases. Lease rentals amortised paid on account of operating leases are treated as expense and recognized in profit and loss account.

13. Earnings Per Share

The basic earnings per share ("EPS") is calculated by dividing the Profit/(Loss) after Tax by the weighted average number of Equity Shares outstanding.

The diluted EPS is computed by dividing the net profit or loss for the year referred to above adjusted for any attributable change in expenses or income that would result from the conversion of the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

14. Provisions and contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and if it is probable that these liabilities can be properly estimated at the period end. Provisions are not discounted to its present value and are determined based on best estimates of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

15. Redemption Premium

Premium payable on redemption of Foreign Currency Convertible Bonds (FCCB) is charged to Securities Premium Account over the life of the Bond.

Schedule: 20**Notes to the Consolidated Balance Sheet & Profit and Loss Account**

1. Disclosure of Particulars regarding subsidiaries in terms of AS-21 are as follows:-

Name of the Entity	Country of Incorporation	Ownership in % either directly or through subsidiaries
Bartronics America Inc.	USA	100%
Bartronics Asia Pte Ltd.	Singapore	100%

- a) In respect of the following subsidiaries, the consolidation has been made on the basis of consolidated accounts compiled by the management
- ❖ Bartronics America Inc.
 - ❖ Bartronics Asia Pte Ltd.
- b) In respect of a subsidiary company, ROI Public Relations Private Limited, the financial statements of the company is not considered for consolidation as the company is incorporated recently and is in into existence for less than six months.
2. Investment in subsidiary not considered for consolidation has been accounted as per Accounting Standard 13- "Accounting for Investments" notified by Companies (Accounting Standard) Rules, 2006.

3. Contingent Liabilities

- a) Claims against the Company not acknowledged as debts:
Letter of Credit and guarantees issued:

Rs. in Lacs

Particulars	As at March 31, 2009	As at March 31, 2008
Letters of Credit	4,277.10	737.72
Counter Guarantees given to Bankers towards :		
- Bank Guarantees issued	298.85	82.21

- b) Disputed Income Tax liability for which the Company preferred appeal aggregates to Rs. 8.51 Lacs (31.03.2008: Rs. Nil)
4. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs.80,000 Lacs (31st March 2008: Rs. Nil).

5. Share Capital

- a) During the year, USD 75 Lacs worth of FCCB have been converted into 2,282,332 equity shares of Rs. 10 each aggregating to Rs.228.23 Lacs at a premium of Rs. 130 per share aggregating to Rs.2,967.04 Lacs.
- b) During the year, vested options were exercised and the Company allotted 160,000 equity shares in ESOS -2007 of Rs. 10 aggregating to Rs. 16.00 Lacs each at a premium of Rs.122.70 per share aggregating to Rs. 196.32 Lacs.

6. Reserves & Surplus**I. Securities Premium**

- a) Movement of security premium account is given below:

Rs. in Lacs

Particulars	As at March 31, 2009	As at March 31, 2008
Balance- At the commencement of the year	16,235.01	7,904.41
Add: Premium on conversion of FCCB into equity shares:- USD 75 Lacs FCCB converted into 22,82,332 Equity Shares (Previous year USD 115 Lacs FCCB Converted into 34,46,046 Equity Shares) @ Rs.130/-	2,967.04	4,479.86
Add: Premium on allotment under ESOS 2007 (includes Rs. 785.28 Lacs pertaining to prior year)	981.60	-
Add: Premium collected on conversion of warrants into 46,30,000 Equity Shares @ Rs.120/-	-	5,556.00
Sub total	20,183.65	17,940.27
Less: Premium payable on redemption of FCCB (includes Rs. 51.93 Lacs relating to prior year)	2,175.85	677.14
Less: Expenses incurred on issue of FCCB	-	1,028.12
Balance - At the end of the year	18,007.80	16,235.01

- b) As stated in Significant Accounting Policies No. 14 of Schedule 19, the Company charges the premium payable on redemption of Foreign Currency Convertible Bonds to the securities premium account over the life of the bond. Had the Company provided the full liability of premium payable on redemption of bonds in terms of the provisions of Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' in Securities Premium Account in the year of issue, the additional liability would have been Rs. 8,989.49 Lacs.

7. Secured Loans

I. Term Loans

- a) Term loans availed from banks are secured by:
- Equitable mortgage of the Company's immovable property at Raj Bollaram Village.
 - First pari passu charge on all Plant & Machinery, present and future and pari passu second charge on all the current assets both present and future.
 - The personal guarantees of certain directors.
- b) Amounts repayable within twelve months in respect of long term loans: Rs.2,610.38 Lacs (31st March 2008: Rs. Nil)

II. Working Capital Loans

- a) Working Capital loans availed from banks are secured by:
- First pari passu charge on all the moveable properties both present and future including without its limitation its stock in trade, receivables, investments, deposits and other movables.
 - First pari passu charge on all the current assets and pari passu second charge on all the moveable fixed assets of the Company.
 - The personal guarantees of certain directors.
- b) Amounts repayable within twelve months in respect of working capital loans: Rs.11,832.06 Lacs (31st March, 2008: Rs.3,989.66 Lacs)

III. Vehicle loans

- a) Vehicle loans from banks and others are secured by hypothecation of vehicles acquired out of the said loans.
- b) Amounts repayable within twelve months in respect of vehicle loans:
Rs. 5.92 Lacs (31st March, 2008: Rs 3.65 Lacs).

8. Unsecured Loans

Foreign Currency Convertible Borrowings:

The Company raised US\$ 25 Million ('FCCB-I') on 09.06.2007 and US\$ 50 Million ('FCCB-II') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds. Bond holders have an option to convert each bond of US\$ 100000 into shares of Rs. 10/- each at the conversion price of Rs.140/- in respect of the FCCB-I and at the conversion price of Rs.290/- in respect of FCCB-II. The bonds are redeemable with a yield to maturity of 7.25% in case of FCCB-I and 6.65% in case of FCCB-II. During the year 2,282,332 (31.03.2008: 3,446,046) shares were allotted out of the FCCB-I consequent to conversion of 75 bonds (31.03.2008: 115 bonds) aggregating to US\$ 7.5 Million (31.03.2008 US\$11.5 Millions). The balance bonds unless converted will be redeemed on 3rd June 2012 in respect of FCCB-I and on 4th February, 2013 in respect of FCCB-II

FCCB-I PRICE RESET: Pursuant to the terms and conditions of FCCB-I, the FCCB-I Bonds conversion price has been reset on 04-Dec-2008 from Rs. 140 to Rs. 112.

Movement of Foreign Currency Convertible Bonds is given below:

Rs. in Lacs

Particulars	As at March 31, 2009			As at March 31, 2008		
	FCCB-I	FCCB-II	Total	FCCB-I	FCCB-II	Total
Balance- At the commencement of the year	5,496.06	19,785.00	25,281.06	-	-	-
Add: FCCB raised during the year.	-	-	10,180.00	19,785.00	29,965.00	
Add: Foreign exchange Loss (net)	689.15 (Refer Note 1)	6,302.15 (Refer Note 2)	6,991.30	-	-	
Less: Converted into equity shares 75 Bonds (Previous Year 115 Bonds) of face value USD 100,000 each	3,054.75	-	3,054.75	4,683.94	-	4,683.94
Balance - At the end of the year	3,130.46	26,087.15	29,217.61	5,496.06	19,785.00	25,281.06

1. Includes foreign exchange gain of Rs.100.10 Lacs pertaining to previous year.
2. Includes foreign exchange loss of Rs.200 Lacs pertaining to previous year.

9. Derivatives

Derivatives and unhedged foreign exchange exposures.

1.1 The Company uses forward contracts to hedge its risks associated with foreign exchange fluctuations relating to certain commitments. The Company does not use the forward contracts for speculative purpose.

Currency	Cross Currency	Nature	As at March 31, 2009			As at March 31, 2008		
			No. of contracts	Foreign Currency (Lacs)	Rs. (Lacs)	No. of contracts	Foreign Currency (Lacs)	Rs. (Lacs)
USD	INR	Buy	1	2	104.35	-	-	4

- 1.2 Exchange Difference in respect of forward exchange contracts to be recognized in the profit and loss account in subsequent accounting period amounts to Rs. 0.29 Lacs (31st March 2008:Rs.Nil)
- 1.3 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

Particulars	As at March 31, 2009		As at March 31, 2008	
	US Dollar (Lacs)	Rupee Equivalent (Lacs)	US Dollar (Lacs)	Rupee Equivalent (Lacs)
A. Amount Receivable on account of				
Export of Goods	300.66	15,686.84	-	-
B. Amount Payable on account of				
Import of Goods & Services	165.47	8,633.07	-	-
Capital Imports	21.44	1,112.39	-	-
Foreign Currency Convertible Bonds	560.00	29,217.61	-	-
Other Payables	104.75	5,465.37	-	-

10. Related Party Disclosures

10.1 Related Parties and Nature of Relationship

10.1.1 List of Related Parties

Subsidiaries

Subsidiaries of Bartronics India Limited	Country of Incorporation	Percentage of ownership interest
ROI Public Relations Pvt Ltd. (India)	India	62.5%

10.1.2 Key Management Personnel

Mr. Sudhir Rao - Managing Director
 Mr. T Venkateswara Rao - Whole Time Director
 Mr. S. T. Prasad - Whole Time Director

10.2 Related Party Transactions

Rs. in Lacs

Transactions	2008-09	2007-08
Advances		
ROI Public Relations Pvt Ltd. (India)	21.06	-
Investment in Equity Shares		
ROI Public Relations Pvt Ltd. (India)	3.13	-
Balances Outstanding Advances & Loans		
Receivable		
ROI Public Relations Pvt Ltd. (India)	21.06	-
Remuneration Paid to Key Management Personnel	140.22	80.62
Sudhir Rao	82.18	56.64
S T Prasad	34.00	-
T Venkateswara Rao	24.04	24.00

11. Managerial Remuneration

Rs. in Lacs

Particulars	2008-09	2007-08
Salaries & Allowances	140.09	80.53
Contribution to Provident Fund	0.13	0.09
Directors' Sitting Fees	1.09	0.06
Total	141.31	80.68

The above excludes provision for gratuity, which is actuarially determined on an overall basis

12. Employees' Stock Option Scheme (ESOP)

12.1 The shareholders of the Company at their Extra Ordinary General Meeting (EGM) held on 29th January, 2007 approved 800,000 stock options under Employees Stock Option Scheme, representing 800,000 equity shares of Rs. 10/- each to the employees and directors of the Company. The Compensation Committee of the Board of Directors of the Company at its meeting held on 29th January, 2007, granted 800,000 stock options at an exercise price of Rs. 10 per option. Subsequently the shareholders at their EGM held on 25th February, 2008 approved to amend the ESOS 2007 to vary the vesting schedule so as to enable 100% vesting of the options granted at the end on the first year from the date of grant of the options.

The Company has not created employee stock compensation expenses account in the previous years. Accordingly Rs. 981.60 Lacs being the employee compensation expenses towards ESOS 2007 and Rs. 451.65 Lacs being the FBT and interest thereon relating to previous year has been accounted as expenditure under Prior period expenditure in the current year.

12.2 The Shareholders of the Company at their EGM held on 25th February, 2008 approved the Employees Stock Option Scheme 2008, ESOS 2008 for granting 6,00,000 options to employees including directors of the Subsidiary Companies and 350,000 options to employees including directors of the Company. The compensation committee at their meeting held on 25.02.2008 granted 5,49,805 options to employees including directors of the Subsidiary Companies and 34,236 options to employees including directors of the Company. Subsequently the shareholders at their Annual General Meeting held on 29.09.2008 approved to amend the ESOS 2008 to vary the vesting schedule so as to enable subsidiary Company employees' stock options to vest in a maximum period of 4 years from the date of grant.

All the option holders to whom stock options were granted under ESOS 2008 have requested the Company to terminate the entire stock options granted to them in terms of clause 1.4 of the ESOS-2008 vide letter

dated 3rd January 2009. The Board of Directors, in their meeting held on 29th January, 2009 has terminated the entire stock options granted to them. Accordingly, the Company has not accounted for employee stock option expenses of Rs. 1,587.31 Lacs during the year.

12.3 Method used for accounting for share based payment plan:

The Company has used the intrinsic value method to account for the compensation cost of stock option to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option.

Movement in the options under ESOP 2007 & ESOP 2008

Particulars	ESOP 2007		ESOP 2008	
	Options	Weighted average exercise price per stock option Rs.	Options	Weighted average exercise price per stock option Rs.
Options outstanding as at 1st April 2008	160,000	10.00	584,041	10.00
Options exercisable as at 1st April 2008	160,000	10.00	-	-
Granted during the year				
- To employees of the Company	-	-	-	-
- To employees of Subsidiary Companies	-	-	-	-
Exercised options during the year	160,000	10.00	-	-
Lapsed options during the year	-	-	-	-
Cancelled options during the year	-	-	584,041	10.00
Options outstanding as at 31st March 2009	-	-	-	-
Options exercisable as at 31st March 2009	-	-	-	-

13. Segment Reporting

13.1 The activities of the Company relate to only one business segment i.e. the business of providing Automatic Identification & Data Capture (AIDC) solutions.

13.2 Information relating to Secondary Segment

Rs. in Lacs

Particulars	2008-2009	2007-2008
Segment Revenue		
- Within India	10,666.52	4,288.54
- Outside India	48,133.42	22,793.61
Total Revenue	58,799.94	27,082.15
Segment Assets		
- Within India	5,356.58	2,305.58
- Outside India	52,514.36	23,990.05
Total Assets	57,870.94	26,295.63
Segment Liabilities		
- Within India	462.95	3,456.69
- Outside India	19,454.03	1,527.15
Total Liabilities	19,916.98	4,983.84
Capital Expenditure		
- Within India	14,621.99	16,039.09
- Outside India	356.00	19,844.50
Total Capital Expenditure	14,977.99	35,883.59

14. Composition of Deferred Tax Liability

Rs. in Lacs

Particulars	As at 31.03.2008	Movement during the year	As at 31.03.2009
Deferred Tax Liability :			
Relating to Fixed Assets	413.00	1,194.16	1,607.16
Total	413.00	1,194.16	1,607.16
Deferred Tax Assets:			
Provision for Doubtful Debts/ Advances/ Deposits	-	109.57	109.57
Disallowances under Section 43B	-	12.19	12.19
Deferred Tax Asset on transitional provisions as per AS-15 adjusted in Reserves & Surplus	-	3.19*	3.19
Total	-	124.95	124.95
Net Deferred Tax Liability	413.00	1,069.21	1,482.21

*Adjusted directly in the opening profit and loss account.

Deferred tax assets/liabilities in respect of subsidiaries are not material, hence the same is not accounted.

15. Earnings Per Share

	2008-09	2007-08
Profit after Taxation (Rs. in Lacs)	2,064.72	4,744.69
Weighted average no. of equity shares outstanding	28,307,253	19,356,526
Add: Dilutive effect of potential shares out of Stock Options/ FCCB etc., outstanding	2,630,217	11,977,776
Weighted average number of equity shares - Basic	28,307,253	19,356,526
- Diluted	30,937,470	31,334,302
Earnings per share on profit/(loss) after taxation (Face Value: Rs. 10/ each) - Rs.		
- Basic	7.29	24.51
- Diluted*	6.67	15.14

*Note: The effect of dilution on account of foreign currency convertible bonds pending conversion are anti dilutive and hence ignored in the calculation of Diluted Earnings Per Share.

16. Disclosures as required under Accounting Standard AS-15

16.1 The Accounting Standard- 15 on 'Employee benefits' prescribed by the Central Government has been adopted by the Company from 1st April, 2008. In accordance with the transitional provisions specified in the said Accounting Standard Rs. 6.19 Lacs (net of deferred tax of Rs. 3.19 Lacs) has been adjusted against the opening Profit & Loss Account as at 1st April, 2008. Further, the liability for the year determined as per the Standard, has been accounted for in the financial statements. The effect on the profit for the year consequent to the implementation of the provisions of the Standard is not material.

16.2 Details of Employee Benefits as required by the Accounting Standard-15 " Employee Benefits" are as follows:

Gratuity Plan (Unfunded)

16.2.1 Components of Employer Expense

Rs. in Lacs

Particulars	2008-09
Current Service Cost	1.42
Interest Cost	1.87
Expected Return on Plan Assets	-
Actuarial Losses/(Gains)	(6.83)
Total expense recognised in the Statement of Profit & Loss Account	(3.54)

16.2.2 Change in Defined Benefit Obligations (DBO)		Rs. in Lacs
Particulars		2008-09
Present Value of DBO at Beginning of Year		13.96
Unrecognised past service cost (transitional provision adjusted)		9.38
Current Service Cost		1.42
Interest Cost		1.87
Actuarial (Gains)/Losses		(6.83)
Benefits Paid		(1.21)
Present Value of DBO at the End of Year		18.59

16.2.3 Actuarial Assumptions

Discount Rate: 8%

Attrition Rate 10%

Salary Escalation Rate: 10%

Subsidiary companies do not have any long term defined benefit plans.

17. Income tax

Current tax in respect of parent company represents income tax payable on the book profits computed under section 115JB of the Income Tax Act, 1961.

18. Foreign Currency Translation

Foreign subsidiaries being integral operations, the foreign currency translation loss of Rs.5,280.81 Lacs arising on consolidation is recognized as Foreign Currency Translation loss and charged to the profit and loss account.

19. Disclosure in respect of Operating Leases

The Company's leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc). General descriptions of the leasing arrangements are:

- (i) All the agreements are cancellable in nature and range between 11 months to 3 years.
- (ii) Under all the agreements, refundable interest free deposits have been given
- (iii) Some of the agreements provide for increase in rent.
- (iv) Some of the agreements provide for early termination by either party with a notice period which varies from 15 days to 3 months.
- (v) Some of the agreements contain a provision for its renewal by mutual consent on mutually agreeable terms.
- (vi) Lease payments recognised in the statement of profit and loss for the year: Rs. 90.03 Lacs (2007 08: Rs. 55.84 Lacs)

20. Prior Period Expenses grouped under Schedule 17- "Administrative & Selling Expenses" contains the following items pertaining to earlier years.

Rs.in Lacs

Particulars	Amount
Employee Stock Option Compensation of ESOS-2007 Plan	981.60
Fringe Benefit Tax on stock options exercised and interest thereon	451.65
Foreign exchange loss on foreign currency convertible bonds (net).	99.90
Loss on Sale of Fixed Assets	100.94
Total	1,634.09

21. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform to current year's presentation.

For and on behalf of the Board

Sudhir Rao
Managing Director

T Venkateswara Rao
Whole Time Director

V.V.Ramakrishna
General Manager (F&A)

Fahim Aslam Khan
Company Secretary

Place : Hyderabad
Date : 02.09.2009

**SUBSIDIARY COMPANIES
UN-AUDITED FINANCIAL ACCOUNTS**

BARTRONICS ASIA PTE LTD

Un-Audited Balance Sheet As on 31st March, 2009

Amount in USD

Particulars	Schedule No	As at 31st March, 2009	As at 31st March, 2008
SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	501,790	501,790
Reserves & Surplus	2	5,156,921	3,707,512
		<u>5,658,711</u>	<u>4,209,302</u>
Loan Funds			
Secured Loans		-	-
Unsecured Loans		21,097,202	10,099,740
		<u>21,097,202</u>	<u>10,099,740</u>
Total		<u>26,755,913</u>	<u>14,309,042</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	147,237	-
Less: Depreciation & Amortisation		41,067	-
Net Block		<u>106,170</u>	-
Current Assets, Loans & Advances			
a. Inventories		-	9,209,689
b. Sundry Debtors		17,389,262	4,818,627
c. Cash and Bank Balances		31,912	3,682
d. Loans and Advances		12,845,138	951,092
		<u>30,266,312</u>	<u>14,983,090</u>
Less: Current Liabilities & Provisions			
a. Liabilities	4	3,496,569	674,048
b. Provisions		120,000	-
		<u>3,616,569</u>	<u>674,048</u>
Net Current Assets		<u>26,649,743</u>	<u>14,309,042</u>
Miscellaneous Expenditure	5	-	-
Total		<u>26,755,913</u>	<u>14,309,042</u>

Significant Accounting Policies & Notes to the Accounts

Schedules 1 to 8 annexed hereto form an integral part of these accounts

For and on behalf of the Board

A. B. S. Reddy
DirectorPlace: Hyderabad
Date : 2nd September, 2009

BARTRONICS ASIA PTE LTD**Un-Audited Profit and Loss Account for the Year Ended 31st March, 2009**

Amount in USD

Particulars	Schedule No	Year ended 31st March, 2009	Year ended 31st March, 2008
INCOME			
Gross Sales		11,987,693	13,478,212
Less: Excise Duty		-	-
Net Sales		11,987,693	13,478,212
Other Income		240.01	-
Total		11,987,693	13,478,212
EXPENDITURE			
Materials Consumed	6	9,641,169	8,916,051
Personnel Cost		312,189	632,133
Administrative, Selling and Other Expenses	7	410,522	222,516
Depreciation	3	41,067	-
Miscellaneous Expenses Written Off	5	24,399	-
Total		10,429,346	9,770,700
Profit Before Tax		1,558,347	3,707,512
Taxation			
Current Tax		108,938	-
Profit After Tax		1,449,409	3,707,512
Balance brought forward from Previous Year		3,707,512	-
Balance Carried to Balance Sheet		51,56,921	3,707,512

Schedules 1 to 8 annexed hereto form an integral part of these accounts

For and on behalf of the Board

A. B. S. Reddy
Director

Place: Hyderabad

Date : 2nd September, 2009

BARTRONICS ASIA PTE LTD**Schedules forming part of the Balance Sheet**

Amount in USD

Particulars	As at 31st March, 2009	As at 31st March, 2008
Schedule 1: Share Capital		
Issued, Subscribed & Paid Up 769,500 Equity Shares of SGD 1 each	501,790	501,790
	501,790	501,790
Schedule 2: Reserves and Surplus		
Profit and Loss Account	5,156,921	3,707,512
	5,156,921	3,707,512
Schedule 4: Current Liabilities & Provisions		
A) Sundry Creditors		
For Goods & Services	3,096,569	674,048
Due to Subsidiary	400,000	-
	3,496,569	674,048
B) Provisions		
Taxation	120,000	-
	120,000	-
Schedule 5: Miscellaneous Expenses		
(To the extent not written off)		
Balance at the commencement of the year	-	-
Additions during the year	24,399	-
Total	24,399	-
Less: Written off during the year	24,399	-
Closing Balance	-	-

Schedules to the Profit and Loss Account for the year ended 31st March, 2009

Amount in USD

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Schedule 6 : Cost of Goods Sold		
Material Consumed		
Opening Stock	9,209,689	-
Add: Purchases	431,480	18,125,740
Closing Stock	-	9,209,689
	9,641,169	8,916,051
Schedule 7: Administrative & Selling Expenses		
Rent	1,73,980	-
Rates & Taxes	3,026	-
Printing & Stationery	46,700	18,564
Communication Expenses	32,780	46,384
Travelling & Conveyance	6,150	55,643
Legal & Professional Fees	27,000	-
General Expenses	101,367	101,900
Bank Charges	2,470	25
Auditor's Remuneration	10,000	-
Foreign Exchange Fluctuation Loss (Net)	809	-
Repairs & Maintenance	6,240	-
	410,522	222,516

Schedules forming part of the Consolidated Balance Sheet

Schedule 3: Fixed Assets

Amount in USD

	Gross Block (At Cost)				Depreciation				Net Block	
	As At 01.04.08	Additions	Deletion/ Adjustment	As At 31.03.09	As At 01.04.08	For the year	Deletion/ Adjustment	As At 31.03.09	As At 31.03.09	As At 31.03.08
Furniture & Fixtures	-	54,039	-	54,039	-	22,427	-	22,427	31,612	-
Computers	-	93,198	-	93,198	-	18,640	-	18,640	74,558	-
Total	-	147,237	-	147,237	-	41,067	-	41,067	106,170	-

BARTRONICS ASIA PTE LTD

SCHEDULE 8

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2009

These notes form an integral part of the financial statements

1. DOMICILE AND ACTIVITIES

Bartronics Asia Pte Ltd is a Private Limited liability Company which is incorporated in the Republic of Singapore and has its registered office at No.78 Shenton Way, #08-01A Lippo Centre, Singapore 079120

The principal activities of the Company are those relating to general wholesalers including general importers and exporters and investment holding.

The immediate and ultimate holding Company during the financial period is Bartronics India Limited, a Company incorporated in India. The principal activities of the Holding Company is that of solution providers and suppliers of barcode and aide equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which are measured at fair value: certain plant and equipment and certain financial assets and financial liabilities. Non-current assets are measured at the lower of the carrying amount and fair value.

The financial statements are presented in United States Dollars which is the Company's functional currency.

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Adoption of new and revised standards

During the period, the Company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are mandatory for application from that date, changes to the Company's accounting policies have been made as required, in the accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the new and amended FRS and INT FRS that are relevant to the Company:

Amendment to FRS 1 Presentation of Financial Statements - Capital

Disclosures

FRS107 *Financial Instruments: Disclosures*

The adoption of the above FRS and INT FRS did not result in any substantial changes to the Company's accounting policies nor any significant impact on these financial statements. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

The management expects that the adoption of these FRS and INT FRS in

The initial period of application will have no material impact on the Financial statements.

2.2 Functional and foreign currency

Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company

and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet are recognized in the income statement.

2.3 Investment in subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the company's financial statements, investment in subsidiary are accounted for at cost less any impairment losses.

The Company has in accordance with FRS 27 paragraph 10 elected to present separate financial statements. The Company's Ultimate holding company Bartronics India Ltd, incorporated in India produces consolidated financial statements for public use.

2.4 Financial Instruments

Non-derivative instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, financial liabilities, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e, the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management.

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is acquired principally for the purpose of selling in the short term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Company managers such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management and investment strategies. Upon initial recognition, attributable transaction costs are recognized in the income statement when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognized in the income statement.

Held -to-maturity investments

If the Company has the positive intent and ability to hold debt securities to maturity, they are classified as held to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method , less any impairment losses.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

When share capital recognized as equity is repurchased (treasury shares), the amount of the consideration paid, including directly attributable costs, net of any tax effects, is presented as a deduction from equity. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognized as a change in equity. No gain or loss is recognized in the income statement.

2.5 Impairment of assets**Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effective on the estimated future cash flows of that asset.

An impairment loss in respect of financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristic.

All impairment losses are recognized in the income statement. Any cumulative loss in respect of an available -for-sale financial asset recognized previously in equity is transferred to the income statement.

Impairment losses in respect of financial assets measured at amortized cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment properties, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement unless it. Reserves a previous revaluation, credited to equity, in which cash it is charged to equity.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

2.6 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

The cost of replacing parts of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will follow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognized in the income statement as incurred.

Depreciation on plant and equipment is recognized in the income statement on a straight-line basis over the estimated useful lives (or leased term, if shorter) of each part of an item of plant and equipment.

The estimated useful lives are as follows:

* Computers and office equipment 3 years

* Furniture, fittings and renovation 5 years

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

2.7 Leases

When the Company lessee of an operating lease

Where the Company has the use of assets under operating leases, payments made under the leases are recognized in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2.8 Employee Benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contributions are recognized as employee compensation expense when they are due, unless they can be capitalized as an asset.

Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.9 Revenue recognition

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

2.10 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings and unwinding of the discount on provisions. All borrowing costs are recognized in the income statement using the effective interest methods, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Income tax expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary difference: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint venture to future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

BARTRONICS AMERICA INC

Un-Audited Balance Sheet As on 31st March, 2009

Amount in USD

Particulars	Schedule No	As at 31st March, 2009	As at 31st March, 2008
SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	1	1,500	1,500
Reserves & Surplus	2	7,166,918	4,961,346
		7,168,418	4,962,846
Loan Funds			
Secured Loans	-	-	-
Unsecured Loans		48,706,500	49,248,625
		48,706,500	49,248,625
TOTAL		55,874,918	54,211,471
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	50,207,662	49,648,462
Less: Depreciation & Amortisation		532,600	254,194
Net Block		49,675,062	49,394,268
Current Assets, Loans & Advances			
a. Inventories		-	-
b. Sundry Debtors		5,128,101	4,372,292
c. Cash and Bank Balances		1,330,141	2,696,623
d. Loans and Advances	4	4,733,983	763,236
		11,192,225	7,832,151
Less: Current Liabilities & Provisions			
a. Liabilities	5	4,866,145	2,898,426
b. Provisions		126,224	122,972
		4,992,369	3,021,398
Net Current Assets		6,199,856	4,810,753
Miscellaneous Expenditure	6	-	6,450
TOTAL		55,874,918	54,211,471

Significant Accounting Policies & Notes to the Accounts

Schedules 1 to 7 annexed hereto form an integral part of these accounts

For and on behalf of the Board

A. B. S. Reddy
DirectorT.Venkateswara Rao
Director

Place: Hyderabad

Date : 2nd September, 2009

BARTRONICS AMERICA INC**Un-Audited Profit and Loss Account for the Year Ended 31st March, 2009**

Amount in USD

Particulars	Schedule No	Year ended 31st March, 2009	Year ended 31st March, 2008
INCOME			
Gross Sales		33,736,888	8,407,445
Less: Excise Duty		-	-
Net Sales		33,736,888	8,407,445
Other Income		17,639	-
Total		33,754,527	8,407,445
EXPENDITURE			
Materials Consumed		23,062,673	6,078,040
Personnel Cost		3,784,014	893,627
Administrative, Selling and Other Expenses	7	4,296,897	812,295
Depreciation & Amortisation	3	278,406	15,202
Miscellaneous Expenses Written Off	6	6,965	-
Total		31,428,955	7,799,164
Profit Before Tax		2,325,572	608,281
Taxation			
Current Tax		120,000	-
Profit After Tax		2,205,572	608,281
Balance brought forward from Previous Year		4,961,346	4,353,065
Balance Carried to Balance Sheet		7,166,918	4,961,346

Schedules 1 to 7 annexed hereto form an integral part of these accounts

For and on behalf of the Board

A. B. S. Reddy
Director

T.Venkateswara Rao
Director

Place: Hyderabad

Date : 2nd September, 2009

BARTRONICS AMERICA INC**Schedules forming part of the Balance Sheet**

Amount in USD

Particulars	Amount in USD	
	As at 31st March, 2009	As at 31st March, 2008
Schedule 1: Share Capital		
Issued, Subscribed & Paid Up	1,500	1,500
1,500 Equity Shares of USD 1 each		
	1,500	1,500
Schedule 2: Reserves and Surplus		
Profit and Loss Account	7,166,918	4,961,346
	7,166,918	4,961,346
Schedule 4: Loans & Advances (Unsecured)		
Loans & Advances to Subsidiaries	400,000	-
Advances recoverable in cash or in kind for value to be received	3,309,754	627,524
Deposits	987,359	135,712
Prepaid Expenses	36,870	-
	4,733,983	763,236
Of the above: Considered Good	4,733,983	763,236
Considered Doubtful	-	-
Schedule 5: Current Liabilities & Provisions		
A) Current Liabilities		
Sundry Creditors		
For Goods & Services	3,919,644	2,026,003
Other Liabilities	946,501	872,423
	4,866,145	2,898,426
B) Provisions		
Taxation	126,224	122,972
	126,224	122,972
Schedule 6: Miscellaneous Expenses		
(To the extent not written off)		
Balance at the commencement of the year	6,450	-
Additions during the year	515	6,450
Total	6,965	6,450
Less: Written off during the year	6,965	-
Closing Balance	-	6,450

BARTRONICS AMERICA INC**Schedules to the Profit and Loss Account for the year ended 31st March, 2009**

Particulars	Amount in USD	
	Year ended 31st March, 2009	Year ended 31st March, 2008
Schedule 7: Administrative & Selling Expenses		
Rent	766,467	182,003
Insurance	527,790	87,504
Travelling & Conveyance	903,853	144,740
Legal & Professional Fees	1,042,640	118,517
General Expenses	759,789	274,209
Auditor's Remuneration	75,000	-
Bad Debts/Advances Written Off	221,358	5,322
	4,296,897	812,295

Schedules forming part of the Balance Sheet

Schedule 3: Fixed Assets

Amount in USD

Particulars	Gross Block (At Cost)				Depreciation			Net Block	
	As At 01.04.08	Additions	Deletion/ Adjustment	As At 31.03.09	As At 01.04.08	For the year	Deletion/ Adjustment	As At 31.03.09	As At 31.03.08
Tangible									
Office Equipment	23,011	12,831	-	35,842	9,878	6,703	-	19,261	13,133
Furniture & Fixtures	196,626	4,858	-	201,484	84,409	8,796	-	108,279	112,217
Computers	321,800	541,511	-	863,311	138,144	261,219	-	463,948	183,656
Vehicles	50,695	-	-	50,695	21,763	1,688	-	27,244	28,932
Intangible									
Goodwill	49,056,330	-	-	49,056,330	-	-	-	49,056,330	49,056,330
	49,648,462	559,200	-	50,207,662	254,194	278,406	-	49,675,062	49,394,268

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Amount in Lacs)

I REGISTRATION DETAILS

CIN Number	L29309AP1990PLC011721
Balance Sheet	31.03.2009
State Code	01

II CAPITAL RAISED DURING THE YEAR

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

III POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS

Total Liabilities	87149.05
Total Assets	87149.05

Sources of Funds

Paid up Capital	2897.75
Share Application Money	NIL
Reserves & Surplus	27807.39
Deferred Tax Liability	1482.21
Secured Loans	25744.09
Un-Secured Loans	29217.61

Application of Funds

Net Fixed Assets	26561.77
Work in Progress	3144.38
Investments	208.11
Net Current Assets	57234.79
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV PERFORMANCE OF THE COMPANY

Total Turnover	37647.09
Total Expenditure	30792.24
Profit before Tax	6812.47
Profit after Tax	4811.39
Earnings per Share in Rs.	
- Basic	17.00
- Diluted	15.55
Dividend rate %	10%

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE (IT CODE NO.)	N.A.
PRODUCT DESCRIPTION	COMPUTER SOFTWARE

BARTRONICS INDIA LIMITED

5-9-22/B/503, 5th Floor, My Home Sarovar,
Secretariat Road, Saifabad, Hyderabad - 500 063.

Regd. Folio No. :

No.of Shares Held :

PROXY FORM

I/We resident(s)

of..... being a member / members of BARTRONICS

INDIA LIMITED hereby appoint Mr./Mrs.....

of..... or failing him / her

of..... as my / our proxy to attend and vote for me / us on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held on Tuesday 29th, September, 2009 at 11.00 A.M. and at any adjournment thereof.

Signed this the day of..... 2009

Signature

Note : The instrument of proxy shall be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the time for holding the Meeting.

PROXY NEED NOT A MEMBER

BARTRONICS INDIA LIMITED

5-9-22/B/503, 5th Floor, My Home Sarovar,
Secretariat Road, Saifabad, Hyderabad - 500 063.

Member's Folio Number

No.of Shares held

**ATTENDANCE SLIP
(18th AGM)**

This Attendance Slip duly filled in to be handed over at the entrance of the Meeting Hall Name of the Attending Member or Proxy (In Block Letters)

I hereby record my presence at the Eighteenth Annual General Meeting to be held on held (on Tuesday, 29th Day of September 2009, at 11.00 A.M. at Hotel Sitara Residency, Banquet Hall, 5th floor, Beside Big Bazar, Ameerpet Main Road, Hyderabad - 500 016)

To be signed at the time of handing over this slip

.....

Member's / Proxy's Signature

BOOK-POST



If undelivered please return to:
BARTRONICS INIDA LIMITED
5-9-22/B/503, 5th Floor, My Home Sarovar
Near Medicity Hospital, Secretariat Road
Hyderabad-500 004. A.P. India
Phone: +91-40-23298073/74
Fax: +91-40-23298076
www.bartronicsindia.com