BARTRONICS

making businesses work

Bartronics India Limited

Annual Report

19

2009-2010

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CORPORATE INFORMATION

Board of Directors	:	**Mr. Sudhir Rao,** Managing Director **Mr. S. Tirumala Prasad,** Director **Mr. T. Venkateswara Rao,** Director **Mr. A.B. Satyavas Reddy,** Director **Mr. Atul Chandra Varma,** Independent Director **Mr. Y. Raghavendra 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. Raghavendra Rao,** Member **Mr. A.B. Satyavas Reddy,** Member
Remuneration/ Compensation Committee	:	**Mr. R. V. Panchapakesan,** Chairman **Mr. Y. Raghavendra Rao,** Member **Mr. A.B. Satyavas Reddy,** Member
Share Transfer Committee	:	**Mr. A.B. Satyavas Reddy,** Chairman **Mr. Sudhir Rao,** Member **Mr. R.V. Panchapakesan,** Member
Vice Presiden (F&A) and Company Secretary	:	**Mr. B. Somasekhara Rao**

Registered Office
Survey No. 351, Raj Bollaram village,
Medchal Mandal, Andhra Pradesh - 501 401

Internal Auditors
M/s. T. Raghavendra & Associates
Chartered Accountants

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

Listing
Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)

Bankers
Andhra Bank
Bank of Baroda
Bank of India
Barclays Bank Plc
Exim Bank
Indian Bank
IDBI Bank Limited
HSBC Bank Limited

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 **Nineteenth Annual General Meeting** of the members of the Company will be held on **December 28, 2010 at 11.00 A.M. at the Registered Office of the Company situated at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Andhra Pradesh - 501 401** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at March 31, 2010 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 Shri A.B. Satyavas Reddy who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Y. Raghavendra Rao who retires by rotation and being eligible offers himself for re- appointment.
5. To appoint a Director in place of Shri R.V. Panchapakesan who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

7. To Consider and if thought fit, to pass with or without modifications, the following resolution as a ordinary resolution:

   "RESOLVED THAT Mr. Atul Chandra Varma, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 06.12.2010 and who holds office till the conclusion of this Annual General meeting pursuant to 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 to act as Director, be and is hereby appointed as the Director of the Company, who shall be liable to retire by rotation."

8. **To Consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 as amended or restated (the "Companies Act"), the listing agreements with each of the stock exchanges where the Company's equity shares are listed and the provisions of the Foreign Exchange Management Act, 1999 as amended or restated, the Foreign Exchange Management ("Transfer or issue of security by a person Resident Outside of India) Regulations, 2000, as amended or restated, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, as amended or restated, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended or restated, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or restated (the "ICDR Regulations") as applicable and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated, and the Memorandum and Articles of Association of the Company, as amended and subject to such approvals, consents, permissions and sanctions, if any, of the Government of India, the Reserve Bank of India (the "RBI") the Foreign Investment Promotion Board (the "FIPB"), the Securities and Exchange Board of India (the "SEBI") the relevant Registrar of Companies, the relevant stock exchanges and any other regulatory authority as may be required under applicable laws or regulations, and subject to such conditions as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board (including existing Management Committee of the Board of Directors delegated or as may be delegated with its powers including the powers conferred by this Resolution), consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company ("Board")/Management Committee of the Board of Directors of the Company ("Management Committee"), to create, issue, offer and allot in the course of either international offering(s), in one or more foreign markets and/

or in the course of one or more domestic offering(s) in India, including by way of a qualified institutions placement under the ICDR Regulations ("QIP"), such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares, including but without limitation through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/ or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously or separately with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds(FCEB) and/or any other permitted fully and/or partly paid securities/ instruments / warrants, convertible into or exchangeable for equity shares at the option of the Company and/or the holder(s) of the security(ies), and/or securities linked to equity shares (hereinafter collectively referred to as the "Securities") in one or more tranches whether rupee denominated or denominated in foreign currency to such investor who are eligible to acquire such securities in accordance with all applicable laws, rules, regulations, guidance and approvals, through public issues(s), right issues(s), private placements or any combination thereof, through any prospectus, offer document, offer letter, offer circular, placement, documents or otherwise, at such time or times and at such price or such prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at discount or premium to market price or prices in such manner and on such terms and conditions including as regards security rate of interest, etc., as may be deemed appropriate by the Board/Management Committee in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, in one or more offering(s) and/or in one or more tranches, not exceeding **USD 100 Million (USD One Hundred Million only**) or equivalent thereto in any foreign currency (exclusive of any green shoe or over allotment option) either by way of offer for sale are a sponsored issue of securities (by one or more existing shareholders of the Company) or thorough a fresh issue of securities or in any combination thereof, and the Board/Management Committee shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and wherever necessary in consultation with advisor(s), lead manager(s) and underwriter(s) appointed by the Company."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution , the consent of the members of the Company be and is hereby accorded to the Board / Management Committee , to do all such acts, deeds, matters and things, as it may at its discretion, deem necessary or desirable for such purpose, including without limitation: (i) Finalization and approval of the preliminary as well as the final offer document(s) and filing the same with any authority or persons as may be required; (ii) Determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, the number of Securities to be allotted, the issue price, the face value, the premium amount on issue/conversion/exchange of Securities/redemption of Securities and the rate of interest, the redemption period and any other terms and conditions of the issue, including any amendments or modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/ GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board/Management Committee; (iii) Issuing receipts/certificates or other requisite documents representing the underlying Securities issued/to be issued by the Company with such features and attributes as are prevalent in Indian/ International capital markets, for instruments of this nature and provide for the free tradability or transferability thereof as per laws, rules, regulations and guidelines under the forms and practices prevalent in the Indian/ International market; (iv) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities or Equity Shares to be allotted on conversion of

Securities by the Company; (v) Appointing Lead Managers, Underwriters, Guarantors, Depositories, Registrars, Solicitors, Counsels, Custodians, Escrow Banks, Trustees, Bankers, Advisors and all such agencies and intermediaries, whether in India or abroad, as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like as it deems fit; (vi) to open one or more bank accounts in the name of Company, including escrow account, special purpose accounts etc., in Indian currency or foreign currency(ies) which such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any; (vii) Making applications for listing of the Securities (including the resultant Equity Shares to be issued as per the terms of issue of the said Securities) on any Indian and/or Foreign Stock Exchanges and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); (viii) To do all such acts, deeds, matters and things and execute all such other documents including making applications and seeking approvals that may be necessary from GOI, RBI, FIPB, SEBI, Stock Exchanges and any other regulatory authority or from any other person as may be necessary and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for this purpose; (ix) Making such applications to the relevant authorities and make the necessary regulatory filings in connection with the issue; (x) Affixing the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in terms of Articles of Association of the Company; (xi) Authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he or she may in his or her absolute discretion deem fit including the authority to amend or modify such document(s); and (xii) To authorise or delegate all or any of the powers herein above conferred to one or more persons, it deems fit."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the issues of securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, are combination of terms in accordance with domestic and/or international practice, including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and other debt service payment whatsoever and all other such terms as or provided in offerings of such nature including terms for issue of additional equity shares or variations of the conversion price of the securities during the duration of the securities."

"RESOLVED FURTHER THAT the Board/ Management Committee may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the securities with such futures and attributes at or prevalent in international and/or domestic capital market for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic capital markets."

"RESOLVED FUTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad and/or at the place of issue of the securities in international capital markets shall be governed by the applicable domestic/foreign laws and regulations."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the securities, of equity shares of the Company in registered or bearer form with such futures and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in international capital markets."

"RESOLVED FURTHET THAT the securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company, subject to compliances with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may provided in the terms of the issue."

"RESOLVED FURTHER THAT the consent of the members of the Company be and is here by accorded to the Board/Management Committee to issue and allot such number of equity shares of the Company, as may be required to be issued and allotted upon conversion, exchange, redemption or cancellation of any of the securities or as may be necessary in accordance with terms of the offering and all such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except such right as to divided as may be provided under the terms of the issue and in the offer document, if any."

"RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities issued by way of QIP means:

(i) in case of allotment of equity shares, the date of the meeting in which the Board of Directors of the issuer or the Management Committee of Board of Directors of the issuer decides to open the proposed issue;

(ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the Board of Directors of the issuer or the Management Committee of Board of Directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares."

"RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities issued by way of GDRs/ADRs/FCCBs/FCEBs shall be the date of the meeting in which the Board /Management Committee of Board of Directors of the issuer decides to open the issue or shall be the date as specified under the applicable laws or regulations."

"RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board/ Management Committee to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds, as it may in its absolute discretion deemed fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of the resolution."

"RESOLVED FURTHER THAT such of this Securities as are not subscribed, may be disposed off by the Board/Management Committee in its absolute discretion in such manner as the board may deem fit."

"AND RESOLVED FURTHER THAT all actions taken by the board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

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

Sd/-
SUDHIR RAO
Managing Director

Place : Hyderabad
Date : 06.12.2010

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.
3. Corporate members are requested to send a duly certified copy of the 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 their duly filled attendance slips sent herewith for attending the Annual General 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 of the Company will remain closed during the period from December 23, 2010 to December 28, 2010 (both days inclusive).
7. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend recommended by

the Board of Directors, if declared at the Annual General Meeting, will be payable on or after January 2, 2011 to the members whose names appear on the register of members as on December 23, 2010.

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 request from such members for deletion of or change in 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 Big Share and 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. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 would be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the members at the Registered Office of the Company, Fourteen days before and Three days after, the date of the Annual General Meeting of the Company.

10. Members desiring any information on accounts are requested to write to the Company at least seven days before the meeting so as to enable to the Company to keep the information ready and the Members/Proxies are requested to bring the Copies of the Annual Report to the Meeting as the same will not be distributed at the Meeting.

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

Item No. 7

Mr. A.C. Varma was co-opted as an Additional Director of the Company w.e.f 06.12.2010 pursuant to Section 260 of the Companies Act, 1956 read with the Articles 63 of Association of the Company. Mr. A.C. Varma holds office of Director upto the date of ensuing date of 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. A.C. Varma for the officer of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends the resolution set forth in item no. 7 for approval of the members.

Item No. 8

The Company is planning substantial expansion and acquisition programme and to part finance the capital expenditure in respect of expansion and acquisition programme, general corporate expenditure and also to part finance the working capital requirements, it is proposed to create, issue, offer, allot equity shares and/ or any Securities by way of GDRs/ADRs/FCCBs/ FCEBs/ QIP.

The consent of the shareholders is being sought by the special resolution for authorising the Board/ Management Committee to create, offer, issue and allot in the course of their one or more international offering(s), in one or more foreign markets and/or in the course of one or more domestic offering(s) in India, including by way of a Qualified Institutions Placement ("QIP") under the ICDR Regulations, such number of equity shares and/or any Securities linked to, convertible into or exchangeable for equity shares, including without limitation through Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or convertible warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds (FCCBs) and/or Foreign Currency Exchangeable Bonds (FCEBs) and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or the holder(s) of the security(ies), and/or securities linked to equity shares or otherwise as the Board/Committee may decide, and at such time and at such price as the Board/Management Committee may, in consultation with the lead managers, advisors and other intermediaries, deem fit.

The consent of the shareholders is being sought by the special resolution for authorising the Board/ Management Committee to issue Securities under the QIP category to the Qualified Institutional Buyers (the "QIB") in accordance with the provisions of the ICDR Regulations and to any other international or domestic investor inside or outside India, through public issues and/or private placement or a combination thereof.

The special resolutions seek the consent and authorization of the members to the Board/ Management Committee to make the proposed issue of securities, in consultation with the lead managers, advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of the rules, regulations or guidelines.

Pursuant to the above, the Board/Management Committee may, in one or more tranches, issue or allot equity shares/convertible warrants/GDRs/ADRs/ FCCBs/FCEBs/ any other Securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board/ Committee but not later than such time period as permitted under applicable law through public issues(s), right issues(s), private placements or any combination thereof.

The relevant date for the purpose of pricing of the Securities issued by way of QIP means:

(i) in case of allotment of equity shares, the date of the meeting in which the board of directors of the issuer or the Management Committee of Board of Directors of the issuer decides to open the proposed issue;

(ii) in case of allotment of eligible convertible securities, either the date of the meeting in which the board of directors of the issuer or the Management Committee of Board of Directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

The relevant date for the purpose of pricing of the Securities issued by way of GDRs/ADRs/FCCBs/ FCEBs shall be the date of the meeting in which the Board and/or Management Committee of Board of Directors of the issuer decides to open the issue or shall be the date as specified under the applicable law or regulation."

The proceeds of the GDRs/ADRs/FCCBs/FCEBs/ QIP shall be utilized to part finance the capital expenditure on various business divisions, for acquiring industrial undertakings in India and/or abroad and for general purpose including meeting long term working capital requirement. However, the end usage of the GDRs/ADRs/FCCBs/FCEBs/QIP process shall be in accordance with the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time, Foreign Currency Exchangeable Bonds Scheme, 2008 as amended from time to time and ECB Guidelines and as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and as per the FDI Policy issued by the Department of Industrial Policy & Promotion as amended from time to time and any other regulatory authorities as amended from time to time.

Section 81(1 A) of the Companies Act and Listing Agreements entered into with the stock exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the person who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date, unless the members decide otherwise.

The detailed terms and conditions for the offer will be determined in consultation with the Advisers, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

Your Board of Directors recommends the above resolution, as a Special Resolution for your approval in the best interests of the Company.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares and to the extent of his/her subscribing to equity shares.

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

Sd/-

Place : Hyderabad
Date : 06.12.2010

SUDHIR RAO
Managing Director

Additional Information :

Details of Directors seeking appointment/re-appointment at the 19th Annual General Meeting (pursuant to clause 49 of the listing agreement)

1. Mr. A.B. Satyavas Reddy

Mr. A.B. Satyavas Reddy aged about 47 years is a Mechanical Engineer from Osmania University and has rich experience in the engineering industry. Mr. Satyavas Reddy is the Promoter Director of Bartronics India Limited.

Mr. A.B. Satyavas Reddy holds directorships in the following companies:

1. Satya Straps and Packing Technologies Limited
2. Info Tech Infinn & Trading P Ltd
3. Total Iron & Steel P Ltd
4. Kakatiya Landscape P Ltd
5. Endevour Industries Limited
6. Zeva Engineering & Management Services P Ltd
7. Bartronics America Inc.,
8. Bartronis Asia Pte Ltd.

2. Mr. Y. Raghavendra Rao

Mr. Y. Rahavendra Rao aged about 62 years is an Engineer from USA having rich experience in IT and Telecommunication Networking. Mr. Rahavendra Rao has over 35 years of vast experience with various Government departments in areas like Project Development, Planning, Marketing and Project Implementation. He is at present serving as Advisor for Ministry of Shipping, Government of India on implementation of software and automation of ports.

Mr. Rahavendra Rao holds directorships in Smartbridges Telecom India P Ltd and Poly Soft Technologies P Ltd.

3. Mr. R.V. Panchapakesan

Mr. R.V. Panchapakesan, aged about 69 years is a formal 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, Ahamedabad.

Mr. Panchapakesan does not hold directorships in any other Company.

4. Mr. Atul Chandra Varma

Mr. A.C. Varma, aged about 61 years has over 37 years of experience in various banks. Mr. Varma handled various assignments in the State Bank Group ranging from retail to corporate and human resources.

Mr. Varma is the erstwhile Managing Director of State Bank of Patiala. Post retirement Mr. Varma has been rendering advisory services to various companies including co-operative banks. Mr. Varma holds B.Sc. degree with Honours in Physics from Science College, Patna.

Mr. Varma is a Director in Sumedha Fiscal Services Limited.

DIRECTOR'S REPORT

To The Members,

Your Directors have the pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts for the Financial Year ended on 31st March, 2010 comprising of twelve (12) months from 01.04.2009 to 31.03.2010.

STAND ALONE FINANCIAL RESULTS :

Rupees in Lakhs

Particulars	**Year 2009-10**	Year 2008-09	**Growth %**
Total Income	**58756.09**	37604.71	56.25
Total Expenditure	**38798.17**	25835.06	50.18
Operating Profit (EBITDA)	**19957.92**	11769.65	69.57
Interest	**4375.40**	2184.84	100.26
Depreciation	**4775.96**	2772.34	72.27
Profit Before Tax	**10806.56**	6812.47	58.63
Provision for Tax	**1867.90**	795.67	134.76
Deferred Tax	**2434.60**	1072.40	127.02
Fringe Benefit Tax	**—**	133.01	—
Profit after Tax	**6504.06**	4811.39	35.18
Add: Profit B/F from previous year	**9674.59**	5347.33	80.92
Less : Adjustment towards employees benefit	**—**	6.20	—
Profit available for appropriation	**16178.65**	10152.52	59.36
Appropriation as under:			
Transfer to General Reserve	**—**	125.00	—
Proposed Dividend	**340.49**	301.66	12.87
Tax on Dividend	**56.56**	51.27	10.32
Balance C/F to next year	**15781.60**	9674.59	63.12

CAPITAL STRUCTURE

(A) Foreign Currency Convertible Bonds

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

Particulars	**Year of Issue**	**Size of Issue** (In Million US$)
FCCB 2013	2007-08	50

Conversion Period	**Conversion Price per Eq. Share (Rs.)**
FCCB 2013 (January 09, 2008 and January 23, 2013)	191.25
Number of shares converted till March 31, 2010 out of FCCB 2013 issue	Outstanding FCCBs as on March 31, 2010 (In Millions US$)
Nil	50

The Foreign Currency Convertible Bonds (FCCBs) are listed on the Singapore Stock Exchange.

All the bonds of FCCB 2012 have been converted into equity shares before 31.03.2010.

Changes to Share Capital

During the year under review the Authorized Capital has increased from Rs. 600 million to Rs. 1100 million and the Issued, Subscribed and Paid up Capital has increased by an amount of Rs. 50.71 millions, from Rs. 289.77 millions as on 1st April, 2009 to Rs. 340.49 millions as on 31st March, 2010. 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 (FCCBs) and shares allotted through Preferential Issue.

At present the Authorized Share Capital of the Company stands at Rs. 1100 millions.

1. **Dividend**

Your Directors recommend a dividend of Rs. 1/- per equity share on fully paid equity shares of Rs. 10 each, for the year ended March 31, 2010. This will absorb Rs. 39.71 million (inclusive of tax) based on existing capital.

2. **Subsidiary Companies**

Your Company has five subsidiary companies viz., Bartronics America Inc., Bartronics Asia Pte. Limited, ROI Public Relations Private Limited and Bartronics Middle East FZE and four step down subsidiary companies viz., 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 changed to Bartronics Hong Kong Limited with effect from 15th October 2008.

ROI Public Relations Private Limited

ROI Public Relations Private Limited was incorporated on 4th December 2008. Bartronics India Limited is a promoter and subscriber to its Memorandum holding 62.50% shares (in the total paid up Capital of Rs. 5 Lakhs) in the Company. Investment of Rs. 3.13 lakhs has been provided for and an advance of Rs. 42.26 lakhs has been written off during the year.

Bartronics Middle East FZE

Bartronics Middle East FZE, Sharjah, UAE was incorporated on June 22, 2010 as a wholly owned subsidiary of Bartronics India Limtied with a share capital of AED 1,50,000 Shares.

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

Audited financial accounts of Bartronics America Inc. and Bartronics Asia Pte. Ltd. have been attached at the end of this Annual Report. Since there are no operations in ROI Public Relations Private Limited, consolidation has not been done.

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.

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.
- Providing solutions in Radio Frequency Identification and Data Capture (RFID) Technology.
- Smart Card manufacturing, the Company has smart card manufacturing facility at the Registered office.
- 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. A.B. Satyavas Reddy, Mr. Y. Raghavendra Rao and Mr. R.V. Panchapakesan are liable to retire by rotation and being eligible, offer themselves for reappointment.

Mr. B. Narayanswamy, Director of the Company resigned from the Board w.e.f 14.08.2010.

Mr. A.C. Varma has been appointed as additional director w.e.f 06.12.2010 and holds office upto the date of ensuing Annual General Meeting. Notice has been received under Section 257 of the Companies Act, 1956 proposing the names of Mr. A.C. Varma for appointment as Director liable to retire by rotation.

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-B** 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 - C** 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

Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

CORPORATE GOVERNANCE

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

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 Agreement with Stock Exchanges is enclosed as **Annexure - E.**

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 2009-10.

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, 2010 is attached as **Annexure - F.**

CEO/CFO Certificate is enclosed as **Annexure - G.**

DIRECTORS RESPONSIBILITY STATEMENT:

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

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had 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

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis.

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 - H** 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, (CDSIL).

FIXED DEPOSITS

There were no fixed deposits at the end of the year.

EXPLANATIONS TO QUALIFICATIONS IN AUDITORS' REPORT:

The Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells have made the following comments in their report for the year 2009-10.

1. Auditors Comments:

Paragraph 4 (a) of the Audit Report, "the trading sales and purchases includes software transmitted through electronic form without adequate documentary evidence with respect to transfer of significant risks and rewards incidental to the ownership aggregating to Rs.8837.59 lakhs and Rs.8461.87 lakhs respectively and are outstanding as on 31 March2010, on which we are unable to express our opinion, had the adjustment made in the financial statements, the sales and the debtors would be lower by Rs. 8837.59 lakhs, the purchases and the creditors would be lower by Rs. 8461.87 lakhs".

Company explanation:

The trading sales and purchases include software sales of Rs.8,837.59 lakhs and Rs.8,461.87 lakhs recognized upon transmission of software to customer or by vendors through electronic form and significant risks and rewards relating to ownership of products are transferred to the customers or by the vendor. These sales and purchases are integral part of the project fulfillment process and are in the normal course of business practice. The Customers and Vendors have confirmed the receipt / dispatch of goods/ services and the balance outstanding as on 31 March 2010.

2. Auditors Comments:

Paragraph 4 (b) of the Audit Report, "Company based on the expert opinion obtained, has recognized the deferred tax expense using current applicable effective tax rate, being Minimum Alternate Tax (MAT) rate, instead of regular tax rates as specified by paragraph 21 of Accounting Standard 22 - "Accounting for Taxes on Income". Had the Company recognised the deferred tax expense using regular tax rates, the deferred tax expense for the year would be higher by Rs.2,615.89 lakhs".

Company Explanation:

As the company has been paying taxes under MAT provisions from the year 2005-06 onwards and considering the tax exemptions available and other benefits, the company would pay only MAT tax in the near future. As advised by the tax experts and also considering the prudent accounting, the company had applied MAT rate of tax for the computation of deferred tax.

3. Auditors Comments:

Paragraph (ii) (b) in the annexure to the Auditors Report, "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".

Company Explanation:

Company has initiated process to reconstruct fixed assets register. The discrepancies, if any, arising between the assets verified and the book records would be dealt with in the period in which such recompilation of the register is completed.

4. Auditors Comments:

Paragraph V in the annexure to the Auditors Report, "there is inadequate internal control system 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, which needs further improvement and needs to strengthen systems and procedures relating to documentation."

Company Explanation:

The company has identified benchmark procedures and systems in the industry and the same are being implemented in order to strengthen systems and procedures. The company has already initiated many steps to strengthen internal controls in the areas of purchase of inventory and fixed assets and for sale of goods and services and procedures relating to documentation and other areas also. The company is in regular touch with statutory auditors and internal auditors to improve internal control systems and procedures commensurate with increased level of operations.

5. Auditors Comments:

Paragraph VI of Annexure to the Auditors Report, "the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management which is not commensurate with the size of the Company and the nature of its business".

Company Explanation:

The Audit committee had defined the scope of internal audit function for the year 2010-11. Internal auditors are covering the areas specified in the scope and regularly presenting the reports to the management. Management reviews internal audit reports and take corrective actions. They improve the internal audit function based on the suggestions and directions given by the audit committee. The company believes that the Internal Audit Function is crucial for strengthening its internal controls and procedures. As a result, review of procedures and systems and improvement thereof is part of the continuous improvement programme.

6. Auditors Comments:

Paragraph VII (a) in Annexure to the Auditors Report, "undisputed statutory dues in respect of provident fund, employees state insurance, professional tax, income-tax, wealth tax, value added tax, fringe benefit tax and service tax have not been regular and substantial delays in deposit of such dues have been noticed, with the appropriate authorities".

Company Explanation:

In some occasions, there have been delays in payment of statutory dues. The Company has cleared all the statutory dues with necessary late payment fees and the Company has taken appropriate steps to avoid delay payments in future.

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

Sd/-	Sd/-
Sudhir Rao	**T. Venkateswara Rao**
Managing Director	Director

Place : Hyderabad
Date : 06.12.2010

Management Discussion and Analysis

1. Industry Structure and Developments:

In the last two decades of our exponential growth, your company has radically evolved from being a trader of Bar-Code related hardware to a provider of End to End Solutions in the field of AIDC. Since our inception, we have been a pioneer in incorporating the latest technologies in data capture industry to provide innovative business solutions to its clients in India. Today, we are applying our experience and abilities in a wide variety of industries to make businesses work globally.

AIDC segment - Fast Growing:

During the year, the AIDC Industry has witnessed an increased adoption of its technologies for various applications. RFID and Biometrics solutions are expected to have an exponential growth with retail and manufacturing growth in India. BIL having the highest market share and first mover advantage is expected to be the biggest beneficiary.

The Company, being the only organized player in the Indian market to provide end-to-end solutions based on AIDC technologies, has further penetrated into most of the Indian industrial belts during the year and has successfully consolidated its global presence. Company's mighty potency of 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.

During the year, the company apart from retaining and expanding with existing clients, has established many achievements in the form of winning the first of - many to come financial inclusion projects from 5 associate banks of State Bank of India. The Company won the prestigious Aapke Dwar project from the Municipal Corporation of Delhi for installing and operating 2000 kiosks in the city of Delhi for providing various G2C and B2C services. It also won the slaughter house project showcasing the adoption of these technologies by newer sectors. The company also became India's first RFID Company to be certified by International Committee for Animal Recording (ICAR).

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 with the use of this technology. Bartronics has positioned itself to take advantage of the growing market demand, which is fuelled by the increased consumption of smart cards through Financial Inclusion Projects, and the Employee State Insurance Scheme. This year the company also started manufacturing 3G SIM Cards for a telecom giant in India.

Moving forward, there are some more key initiatives of the Government like Adhaar managed by Unique Identification Authority of India, which would add on to the increasing demand for smart cards in the country.

Global Expansion - Immediate Traction

The Company successfully completed an year of 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. Amongst many others, the Company, during the year, bagged the prestigious RFID based projects from Avitar, Singapore based company with global presence.

In the US market, BIL's acquisition of two firms last year has delivered satisfactory results. Besides serving some of the top-end blue-chip customers based in the USA, Bartronics is now slated to expand in the European market.

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 through the able leadership.

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 markets.

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. Providing innovative solutions to the larger customer base has also helped the company to ensure the increase of revenues through larger Annual maintenance contracts.

International Presence

With successful completion of an year of operations of the two wholly owned subsidiaries in Singapore and USA, Bartronics is now present in most of the growing markets. Presence in the US has also helped the Company in ensuring a better access to the latest technologies thereby ensuring the Company to maintain its leadership position.

Potential Growth Opportunity

Your Company has identified three growth drivers, which will enable it to sustain a high growth trajectory. These are:

A) Solutions: The AIDC industry is witnessing tremendous growth rate and Bartronics India being the only end-to-end solutions provider in India is very well placed to capitalize on this. As, the company's overseas operations are fairly new, the size of their operations are small; hence, the growth trajectory will be faster in these markets during the coming years.

B) Smart Card Manufacturing: The strategy to move up the value chain will help us realize more revenues without investing anything in the existing capacity.

C) Turnkey Project/ Big Ticket projects: Various other states and municipalities have expressed their interest to replicate Aapke Dwar model, this certainly will provide greater growth opportunity.

3. Risks and Concerns:

Obsolescence of Technology

The products and services offered by the AIDC industry depends 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 provide 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. 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

Your 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, and 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 56.25 % in annual revenues, recording Rs. 58756.09 Lakhs for the year 2009-10 as against Rs. 37604.71 Lakhs in the previous financial year 2008-09. The Company's net profit before tax stood at 10806.56 in 2009-10 as against Rs. 6812.47 in the previous financial year 2008-09.

Rs. in Lakhs

Particulars	**2009-10**	2008-09
Net Sales	**58010.62**	37588.75
Other Income	**745.47**	15.96
Total Income	**58756.09**	37604.71
Total Expenditure	**38798.17**	25835.06
EBIDTA	**19957.92**	11769.65
Interest	**4375.40**	2184.84
PBDT	**15582.50**	9584.81
Depreciation & Amortization	**4775.96**	2772.34
PBT	**10806.56**	6812.47
Provision for Taxation	**4302.50**	2001.08
Profit after Tax	**6504.06**	4811.39

5. **Segment wise 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. 16 of Schedule 21 (Notes to Account) in the Audited Financial Statement.

6. **Outlook for the Current Year:**

Your company during the financial year 2009-10 has achieved the turnover of Rs. 58756.08. The basic and Diluted Earnings per Share have been Rs. 21.22 and Rs. 15.09 respectively. Due to high investments during the immediate, past couple of years, the management believes that it is necessary to go for a short period of consolidation and strategic planning before embarking on the next growth trajectory. During the current year, the company expects the focus to be on consolidation and re-alignment.

7. **Internal Control Systems:**

Your Company has a formal Internal Audit Process whereby deficiencies in the Internal Control Systems are regularly analysed and gaps identified. Quarterly Internal Audit Reports are presented to the Internal Audit Committee of the Board of Directors and the reports are discussed with action plans.

As a result improvements in a number of areas were identified and implemented during the course of the year. Your Company has been able to take data-based decisions, in many cases due to the in-depth study done by the Internal Audit Teams.

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

Bartronics values its human resources and firmly believes HR as one of the strengths of the company. As a result, the company has seen a negligible attrition during the year. The company's Core team of Resources continues to contribute towards the continuing technology leadership. The attrition rate in the after sales service and the marketing functions have been marginally higher compared to previous years.

Your Company has invested significantly in its employees through extended training programmes and focused skill development programmes implemented during the year. Training across all levels of the organization has also improved in Customer Focus which has resulted in numerous repeat orders from the large base of satisfied customers.

Annexure - A

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	01.01.2010-31.12.2010	01.04.2009-31.03.2010	01.04.2009-31.03.2010
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 US$ 1 each	1500 Equity Shares of S$ 1 each	769500 Equity Shares of of Rs. 10/- 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. 333,263,330	Rs. 67,570,251	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	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 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 Companie(s) from the date of incorporation to the date of closure of the financial year of holding Company ie., March 31, 2010.
2. There are no material changes which have occurred from the start of the financial year of the subsidiary companies to the date of closure of the financial year of holding Company (ie., 31st March, 2010) 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 - B

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 of Rs. 1.22 per unit during the year when compared to the last year.

Form A

A. Particulars with respect to conservation of energy

1. Electricity and diesel purchased for manufacture

	2009-10	2008-09
1. Electricity		
Units (KWH)	**809402**	279079
Total Amount (Rs.)	**3983737**	17, 12,101
Rate/units(Rs.)	**4.92**	6.135
2. Diesel		
Units (KWH)	**54006**	41878
Total Amount (Rs.)	**624449**	4, 18,784
Rate/units(Rs.)	**11.56**	10.00

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	**2009-10**	2008 - 09
Foreign Exchange Earnings	**3025.57**	2151.89
Foreign Exchange Outgo	**1.29**	5.07

Annexure - C

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 Commencem-emt of Employment	Last Employed
1.	Sudhir Rao	44	Managing Director	82,18,188	PGBM form IIM Ahmedabad, B. Com	19 Years	21.08.2002	VFM Softech Limited
2.	S. Tirumala Prasad	49	Non - Executive Director*	26,65,386	MS, B.Tech	28 Years	01.04.2006	Indus Networks Limited
3.	T.V. Rao	55	Non - Executive Director *	20,02,916	MBA, CAIIB, B.Com	30 Years	25.04.2005	Indus Ind Bank Limited
4.	L. Suresh	49	Vice President#	21,10,655	MBA	25 Years	02.01.2008	Brighus Software (India) P Ltd
5.	M.V. Brij Mohan	43	Vice President#	23,94,023	MS, B.Tech	16 Years	01.04.2008	Pointsoft P Ltd
6.	S.S. Upadyaya	53	Vice President	25,36,788	BE, ME	25 Years	11.01.2008	India Card Technologie P Ltd
7.	Suresh Srimali	51	CFO	19,36,977	B Com, (Hons.) FCA, FCS	25 Years	28.08.2009	Minda Group

* Non - Executive Director since 30.01.2010

Ceased to be employees of the Company since 31.01.2010

ANNEXURE - D

Philosophy on Code of Governance

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

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 is as follows:

- One Whole Time Director
- One Promoter Director
- Four Independent Directors
- Two Non-Executive Non-Independent Directors

During the financial year 2009-10, seven meetings of the Board of Directors were held on the following dates:

April 27, 2009, April 30, 2009, June 22, 2009, July 29, 2009, September 2, 2009, October 30, 2009 and January 30, 2010.

The composition of the board of directors, the number of other directorships and committees memberships held by them and the attendance of each director at the board meetings and at the last Annual General Meeting (AGM) are as under :

Name of Director (1)	Category (2)	No. of other Directorships (3)	Number of Board Meeting Attended (4)	Number of Membership /Chairmanship on other Board Committees (5)	Attendance at the last Annual General Meeting (6)
Mr. Sudhir Rao	Managing Director	Nil	6	Nil	Yes
Mr. S. Tirumala Prasad *	Non Independent Non Executive	5	3	Nil	Yes
Mr. T. Venkateswara Rao *	Non Independent Non Executive	2	6	Nil	Yes
Mr. A.B.S. Reddy	Promoter Non Executive	7	Nil	2	No
Mr. B. Narayanswamy**	Independent Non Executive	3	3	Nil	No
Mr. Y.R. Rao	Independent Non Executive	2	3	Nil	Yes
Mr. R.V. Panchapakesan	Independent Non Executive	Nil	6	Nil	Yes
Mr. M.M. Yeasaw	Independent Non Executive	Nil	4	Nil	Yes
A.C. Varma#	Independent Non Executive	1	NA	1	NA

* Mr. S.Tirumala Prasad & Mr. T. Venkateswara Rao have become non- executive Director since 30.01.2010

** Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

Mr. A.C. Varma was appointed as an additional director w.e.f. December 6, 2010

Change in Composition of Board of Directors since the date of last AGM held on 29.09.2009 up to the date of this Report.

Mr. S.Tirumala Prasad & Mr. T. Venkateswara Rao have become non- executive Director since 30.01.2010
Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010
Mr. A.C. Varma was appointed as an additional director w.e.f. December 6, 2010

Board Committees

Audit Committee

Composition:

The Audit Committee of the Company comprises of four members, three of them being Independent Directors, Chairman being an Independent Director, one of the members is a Promoter Director. All the members of the Audit Committee are financially literate and Chairman is from finance background being

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

S. No.	Name of Director	Position	Nature of Directorship
1.	Mr. R. V. Panchapakesan	Chairman	Independent Director
2.	Mr. Y.R. Rao	Member	Independent Director
3.	Mr. B. Narayanswamy*	Member	Independent Director
4	Mr. A.B. Satyavas Reddy	Member	Promoter - Non Executive Director

* Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

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 and external professional advice, if necessary.
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To obtain outside legal or other professional advice.
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to :

a. Matters required to be included in the Director's responsibility Statement to be included in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by the management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control Systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters, where there is suspected fraud, irregularity failure of the internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and the scope of audit as well as the post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and the creditors.
12. Reviewing the '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 March 31, 2010, five audit committee meetings were held on April 27, July 29, September 2, October 30, 2009 and January 30, 2010.

Sl. No.	Name of Director	No. of Meetings Attended
1.	Mr. Y.R. Rao	3
2.	Mr. B.Narayanswamy*	3
3.	Mr. A.B. Satyavas Reddy	Nil
4.	Mr. R. V. Panchapakesan	3

* Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

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 comprises of three Independent Directors and one Promoter Non Executive Director. Members of the Committee are Mr. R.V. Panchapakesan, member & chairman 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)

No Remuneration Committee meeting was held during the financial year.

*Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

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, and 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 Directors.

1. Details of Remuneration to the Executive Directors paid/ payable for the Financial Year 2009-10 are as follows:

Name of Director	Basic Salary (Rs)	Allowances (Rs)	Perquisites (Rs)	Total (Rs)
Mr. Sudhir Rao	37,80,000	42,78,825	1,59,360	82,18,188
Mr. S. Tirumala Prasad	14,400,00	12,20,706	4,680	26,65,386
Mr. T. Venkateswara Rao	9,60,000	9,99,700	43,216	20,02,916

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

   The Company pays a sitting Fees of Rs. 5000 /- per Board Meeting attended by the non executive directors.

Sl.No.	Name of the Director	Sitting Fee Paid (Rs.)
1.	Y. Raghavendra Rao	35,000/-
2.	R.V. Panchapakesan	45,000/-
3.	B. Narayanswamy	30,000/-
4.	M.M. Yesaw	20,000/-

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, Chairman, Mr. Sudhir Rao, Mr. B. Narayanswamy* and Mr. R.V. Panchapakesan. One meeting of the Share Transfer Committee was held during the period of 12 months ended on March 31, 2010.

* Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

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, Promoter Non Executive Director
Mr. Sudhir Rao, Managing Director
Mr. B. Narayanswamy*, Independent Non Executive Director
Mr.R.V. Panchapakesan, Independent Non Executive Director
* Mr. B. Narayanswamy ceased to be a director w.e.f August 14, 2010

Details of shareholders' complaints received and resolved during the year 2009-10

The total numbers of complaints/ correspondence received and replied to the satisfaction of the shareholders during the 12 months period ended on March 31, 2010 were twenty eight. There were no outstanding complaints as on March 31, 2010. No shares were pending transfer as on March 31, 2010.

Compliance Officer:

The Board has designated Shri B. Somasekhara Rao, Vice President (Finance & Accounts) & Company Secretary of the Company as the Compliance Officer w.e.f May 15, 2010.

General Body Meeting

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

Accounting Year	Date	Location of Meeting	Time	Special resolution passed
2008-09	29th September, 2009	Hotel Sitara Residency Banquest Hall, 5th floor, Beside Big Bazaar, Ammerpet Main Road, Hyderabad - 500016	11.00 A.M.	1. To re-appoint Mr. Sudhir Rao as Managing Director of the Company, who shall not be liable to retire by rotation. 2. Register and records required to be maintained under various provisions of the Companies Act, 1956 shall be available for inspection. 3. Amendment of Articles of Association.
2007-08	29th September, 2008	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally,	1100 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 Shri Sudhir Rao 2. To issue FCCB's

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 December 28, 2010.

Postal Ballot

The following resolutions were passed by the members of the Company through postal ballot on 29.07.2009 and 11.01.2010 respectively.

The details are as follows:

Postal Ballot - 29.07.2009

S.No.	Resolution	Details of voting pattern	Scrutinizer
1.	Increasing the borrowing limits of the Board of Directors to a sum not exceeding Rs. 1800 crores.	No. of Votes in favor of the resolution - 55986 No. of votes against the resolution - 2923	Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary FCS No. : 5783 CP No. : 5360
2.	Authorizing the Board of Directors for creation/modification of charge(s) in respect of all or any of the moveable and/or immoveable properties of the Company both present and future.	No. of Votes in favor of the resolution - 51919 No. of votes against the resolution - 2923	

Postal Ballot - 11.01.2010

S.No.	Resolution	Details of voting pattern	Scrutinizer
1.	Increasing the Authorized Capital of the Company from Rs. 60 crores to Rs. 110 crores.	No. of Votes in favor of the resolution - 29546 No. of votes against the resolution - 6986	Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary FCS No. : 5783 CP No. : 5360
2.	Authorizing the Board of Directors/ Management Committee of the Board to create, offer, issue, allot and deliver equity shares and convertible warrants convertible into equity shares upto an amount not exceeding Rs. 11.00 crores in addition to the existing paid up equity share capital of Rs. 31.15 crores.	No. of Votes in favor of the resolution - 28146 No. of votes against the resolution - 8484	
3.	Authorizing the Board to issue, offer and allot from time to time in one or more tranches equity shares and/or fully convertible debentures, partly convertible debenturesor any securities which are convertible into or exchangeable with equity shares to an aggregate amount not exceeding Rs. 500 crores to Qualified Institutional Buyers.	No. of Votes in favor of the resolution - 28499 No. of votes against the resolution - 7731	
4.	Authorizing the Board to issue, offer and allot in international offerings any securities including Global Depository Receipts and/or American Depository Receipts convertible into equity shares, Foreign Currency Convertible Bonds, Warrants, convertible into depository receipts with underlying equity shares/equity shares for an aggregate of US $ 50million.	No. of Votes in favor of the resolution - 28104 No. of votes against the resolution - 8126	
5.	Shifting of Registered office of the Company	No. of Votes in favor of the resolution - 27773 No. of votes against the resolution - 7957	

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 Directors hold Equity Shares of the as stated below on 31.03.2010

Name of Director	No. of Shares Held
A.B.Satyavas. Reddy	3519368
Sudhir Rao	470210

Means of communication

i) 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) or Financial Express (English) and Andhra Prabha (Telugu).

iii) Presentations were also made to the media, analysts, institutional investors etc. form 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: December 28, 2010 at 11.00 AM

Financial year

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

Financial year calendar for 10-11 (Tentative)

Results for the quarter ending 30th June 2010 -Second week of August 2010

Results for the quarter ending 30th September 2010 - Second week of November2010

Results for the quarter ending 31st December 2010- Second week of February 2011

Results for the quarter ending 31st March 2011 - Second week of May 2011

Book closure date

23rd December to 28th December 2010 (both days inclusive) on account of AGM and Dividend.

Dividend payment date

On or after 2nd January 2011

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, PJ. Towers, Dalal Street
Fort, Mumbai - 400 001

Listing fees

Listing fee for the year 2010-11 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 Depository Limited and central securities Depositories Limited for the financial year 2009-10 has been paid.

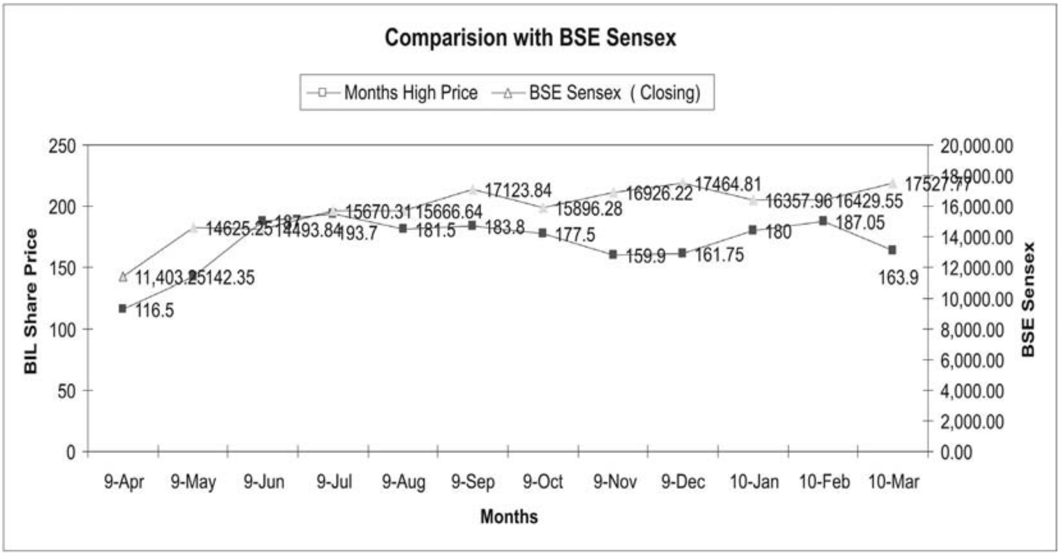
Stock code

- 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

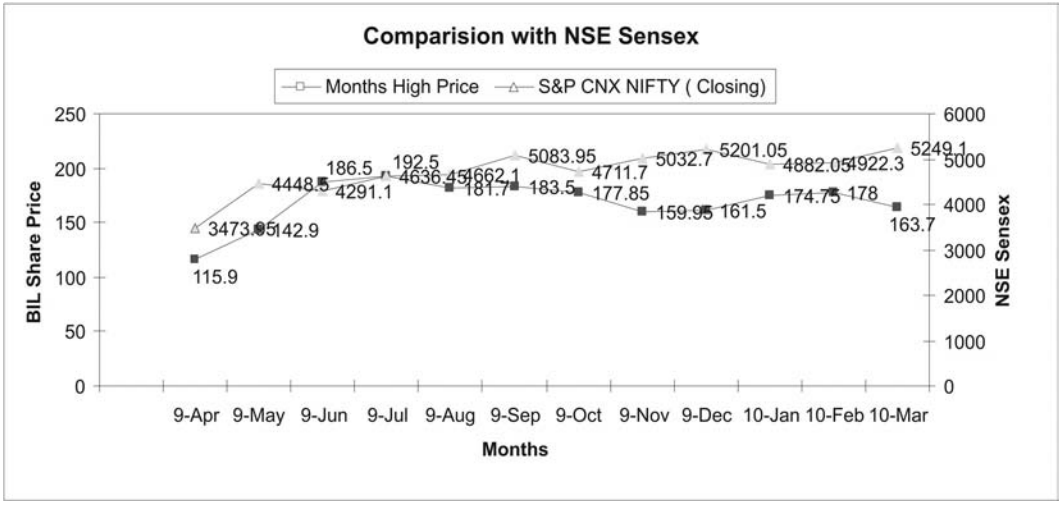
Bombay Stock Exchange Limited:

Month	Months High Price	Months low Price	Spread High-Low	Closing Price	Volume	BSE Sensex (Closing)
April 09	116.50	79.65	36.85	87.60	5682623	11,403.25
May 09	142.35	88.30	54.05	130.75	4662489	14625.25
June 09	187.00	129.50	57.50	171.30	8738387	14493.84
July 09	193.70	148.00	45.70	166.35	4822037	15670.31
August 09	181.50	154.30	27.20	169.05	2603185	15666.64
September 09	183.80	164.00	19.80	175.75	4004746	17123.84
October 09	177.50	130.50	47.00	142.30	2520938	15896.28
November 09	159.90	129.70	30.20	144.70	2462274	16926.22
December 09	161.75	140.00	21.75	148.20	3183517	17464.81
January 10	180.00	142.00	38.00	151.10	8870133	16357.96
February 10	187.05	146.70	40.35	155.70	7522711	16429.55
March 10	163.90	145.30	18.60	155.45	2989589	17527.77



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 09	115.90	79.50	36.4	87.80	10358252	3473.95
May 09	142.90	75.80	67.1	131.00	8401609	4448.50
June 09	186.50	129.00	57.5	171.70	16626271	4291.10
July 09	192.50	145.30	47.2	167.15	8512419	4636.45
August 09	181.70	154.70	27.00	168.60	5534165	6662.10
September 09	183.50	164.00	19.50	175.85	8583270	5083.95
October 09	177.85	130.55	47.33	142.60	6062653	4711.70
November 09	159.95	115.25	44.70	144.70	5419284	5032.70
December 09	161.50	138.10	23.40	148.20	6607669	5201.05
January 10	174.75	142.00	32.75	151.15	14707986	4882.05
February 10	178.00	146.00	32.00	156.25	9608574	4922.30
March 10	163.70	144.50	19.20	155.20	5881156	5249.10



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 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	53255	91.39	63144160	18.54
5001-10000	2753	4.72	22466980	6.60
10001-20000	1209	2.07	18582110	5.46
20001-30000	400	0.69	10373230	3.05
30001-40000	159	0.27	5674950	1.67
40001-50000	141	0.24	6710770	1.97
50001-100000	191	0.33	14108210	4.14
100001 - Above	165	0.28	199428200	58.57
Total	**58273**	**100.00**	**340488610**	**100.00**

Pattern of shareholding as on March 31, 2010 (Face Value: Rs. 10/- each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	10576863	31.07
Mutual Funds	624190	1.83
Financial Institutions/Banks	414762	1.22
Foreign Institutional Investors	2057223	6.04
Body Corporate	4944901	14.52
Indian Public	14266409	41.90
Clearing Members	212324	0.62
Non resident Indians and Overseas Body Corporate	908069	2.67
Trust	44120	0.13
Total	34048861	100

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 in dematerialized form, the 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 2010-11 has been paid.

500 Foreign Currency Convertible Bonds were outstanding for coversion as on 31.03.2010. During the Financial year 2009-10the Company has issued 63,00,000 convertible warrants to M/s. Info Tech Infin and Trading Private Limited and 20,00,000 convertible warrants to M/s. Swain Finance and Trading Private Limited which shall be converted into equity shares after August 17, 2011. Apart from this no other GDRs/ADRs and warrants were outstanding which may have an impact on equity.

Plant Location

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

Investors' Correspondence

Mr. B. Somasekhara Rao, VP (F&A) & Company Secretary
8-2-120/77/4B, Besides NTR Bhavan,
Road No. 2, Banjara Hills,
Hyderabad - 500034
Phone: 91-40-23606316/17
Fax: 91-40-23558076
Email: info@bartronicsindia.com

Declaration in terms of amended Clause 49(1) (d) (11) of Listing Agreement

It is hereby confirmed that all board members and senior management personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial year 2009-10.

Sudhir Rao
Managing Director

Annexure - E

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 March 31, 2010, 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 not the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 06.12.2010

Y. Ravi Prasada Reddy
Practicing Company Secretary
FCS No. : 5783
CP No. : 5360

Annexure F

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 2009-10.

Place: Hyderabad
Date: 06.12.2010

Sd/-
Sudhir Rao
Managing Director

Annexure G

CEO & CFO CERTIFICATION

We, Sudhir Rao, Managing Director, and B. Somasekhara Rao, Vice President (Finance & Accounts) and Company Secretary, 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 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/- **Sudhir Rao** Managing Director	Sd/- **B. Somasekhara Rao** Vice Presiden (F&A) Company Secretary
Place : Hyderabad Date: 06.12.2010		

Annexure H

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** (**"the Company"**) as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto in which are incorporated the return from a overseas branch audited by other auditor. 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 Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4) ***a) The trading sales and purchases includes software transmitted through electronic form without adequate documentary evidence with respect to transfer of significant risks and rewards incidental to the ownership aggregating to Rs.8,837.59 Lakhs and Rs 8,461.87 Lakhs respectively and are outstanding as on 31 March 2010, on which we are unable to express our opinion. Had the adjustment been made in the financial statements, the sales and the debtors would be lower by Rs.8,837.59 Lakhs, the purchases and the creditors would be lower by Rs.8,461.87 Lakhs,***

   b) The Company based on the expert opinion obtained, has recognized the deferred tax expense using current applicable effective tax rate, being Minimum Alternate Tax (MAT) rate, instead of regular tax rates as specified by paragraph 21 of Accounting Standard 22 - "Accounting for Taxes on Income". Had the Company recognised the deferred tax expense using regular tax rates, the deferred tax expense for the year would be higher by Rs.2,615.89 Lakhs.

   Had the adjustments referred in (a) and (b) above, been made in the financial statements, the profit after tax and Reserves and Surplus would be lower by Rs 2,927.76 Lakhs. The basic and diluted earnings per share would be lower by Rs.9.55 and Rs 6.79 respectively.

5) Without qualifying our opinion, attention is invited to the following regarding inventories and debtors for the reasons stated therein:

   a. note 9 of Schedule 21 regarding debtors balance aggregating to Rs. 4,761.49 lakhs outstanding for more than six months, considered good for recovery by the management and no provision has been made.

   b. note 11 of Schedule 21 regarding non-provision for slow moving software inventories aggregating to Rs. 986.34 lakhs lying for more than nine months, considered saleable by the Company and no provision has been made.

6) Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   a. we have obtained all the information and explanations ***except for the matter stated in para 4(a) above,*** which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; and proper return adequate for the purpose of our audit has been received from the foreign branch audited by other auditor. The branch audit report has been forwarded to us and appropriately dealt with;

c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and the audited branch return;

d. in our opinion ***subject to our comments in paragraphs 4 above in respect of trading sales and deferred tax liability, which is not in accordance with Accounting Standard 9 - "Revenue Recognition" and Accounting Standard 22 - "Accounting for Taxes on Income",*** 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;

e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and ***subject to the impact of the financial statements of the matters referred to in paragraph 4(a) and 4(b) above,*** 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, 2010;

(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.

7) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2010 from being appointed as 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
(Registration No. 008072S)

C R Rajagopal
Partner
Membership No:23418

Hyderabad, 06 December, 2010

Annexure to the Auditors' Report

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

(i) Having regard to the nature of the Company's business/activities clauses 4 (v), (vi), (viii), (x), (xii), (xiii), (xiv), (xv), (xix) and (xx) of CARO are not applicable.

(ii) 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. *For the fixed assets lying at the third parties locations, confirmations have been obtained from them in respect of physical existence of the fixed assets.* **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.

(iii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

(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 and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, **there is inadequate internal control system 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, which needs further improvement and needs to strengthen systems and procedures relating to documentation.**

(vi) In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management which *is not commensurate with the size of the Company and the nature of its business.*

(vii) 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, wealth tax, value added tax, fringe benefit tax and service tax ***have not been regular and substantial delays in deposit of such dues have been noticed,*** with the appropriate authorities. In respect of other material undisputed statutory dues including investor education and protection fund, custom duty and excise duty, the Company has been generally 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 31 March, 2010 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 Lakhs	Period to which the amount relates	Due Date	Date of Payment
Income- Tax Act, 1961	Income Tax	3.25	2000-01	Various Dates	Not paid
		768.76	2007-08	March 31, 2008	
		750.52	2008-09	March 31, 2009	
		836.67	2009-10	September 15, 2010	
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 31 March, 2010 on account of any dispute. The details of the disputed dues of income tax which have not been deposited as on 31 March, 2010 are given below:

Name of the statute	Nature of the Dues	Financial Years to which the matter pertains	Rs. in Lakhs	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	2006-2007	89.67	Commissioner of Income Tax-Appeals
		2007-2008	111.31	

(viii) In our opinion and according to the information and explanations given to us, the Company has on *few instances defaulted in repayment* of dues to financial institution and banks which is as follows:

Amount of default (Rs in lakhs)	Delays in No of days
2,335.42	1-60
1,721.76	60-120
183.34	120-180

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained, other than temporary deployment pending application.

(x) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.

(xi) According to the information and explanations given to us the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 at a price which is prima facie not prejudicial to the interests of the company

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)

C R Rajagopal
Partner
Membership No: 23418

Hyderabad, 06 December, 2010

Balance Sheet As At 31 March 2010

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	4(a & b)	**3,404.89**	2,897.75
Share Warrants		4(c)	**4,465.25**	—
Reserves and Surplus	2	5	**40,849.88**	27,807.39
			48,720.02	30,705.14
Loan Funds				
Secured Loans	3	6	**39,597.04**	25,744.09
Unsecured Loans	4	7	**22,450.00**	29,217.61
			62,047.04	54,961.70
Deferred Tax Liability (Net)		17	**3,916.81**	1,482.21
TOTAL			**114,683.87**	87,149.05
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block			**36,439.40**	30,137.43
Less: Depreciation & Amortisation			**7,370.77**	3,575.66
Net Block			**29,068.63**	26,561.77
Capital Work-In-Progress			**20,654.95**	3,144.38
[(Includes Capital Advances Rs.18,322.43 lakhs) (31.03.2009 Rs.1,427.69 lakhs)]			**49,723.58**	29,706.15
Investments	6		**204.98**	208.11
Current Assets, Loans & Advances				
a. Inventories	7	11	**1,970.38**	1,300.28
b. Sundry Debtors	8	9	**56,866.91**	21,820.19
c. Cash and Bank Balances	9	10	**1,099.84**	671.62
d. Loans and Advances	10		**40,841.52**	49,834.56
			100,778.65	73,626.65
Less: Current Liabilities & Provisions	11			
a. Current Liabilities			**27,945.59**	11,370.22
b. Provisions			**8,077.75**	5,021.64
			36,023.34	16,391.86
Net Current Assets			**64,755.31**	57,234.79
TOTAL			**114,683.87**	87,149.05
Significant Accounting Policies and Notes	20 & 21			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date : 06.12.2010

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Profit & Loss Account for the Year Ended 31 March 2010

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 21	Year ended 31.03.2010	Year ended 31.03.2009
INCOME				
Gross Sales			**58,158.14**	37,647.09
Less: Excise Duty			**147.52**	58.34
Net Sales	13	8	**58,010.62**	37,588.75
Other Income	14		**745.47**	15.96
Total			**58,756.09**	37,604.71
EXPENDITURE				
Cost of Goods Sold	15		**32,131.58**	21,637.43
Manufacturing Expenses	16		**2,091.42**	60.02
Personnel Expenses	17		**775.93**	817.99
Administrative, Selling and Other Expenses	18		**3,799.24**	3,154.90
Interest & Finance Charges	19		**4,375.40**	2,184.84
Depreciation & Amortisation	5		**4,775.96**	2,772.34
Miscellaneous Expenditure Written Off	12		**—**	164.72
Total			**47,949.53**	30,792.24
Profit Before Tax			**10,806.56**	6,812.47
Taxation				
— Current Tax {include Rs.14.68 (Cr) (31.03.09 Rs 15.68 (Dr) Lakhs) relating to earlier years}		21	**1,867.90**	795.67
— Deferred Tax "{include Rs Nil (31.03.09 Rs 682.00 lakhs relating to earlier years}		17	**2,434.60**	1,072.40
— Fringe Benefit Tax			**—**	133.01
Profit After Tax			**6,504.06**	4,811.39
Balance Brought Forward From Previous Year			**9,674.59**	5,347.33
Less: Adjustment towards employee benefits			**—**	6.20
Balance Available for Appropriations			**16,178.65**	10,152.52
Appropriations:				
— Transfer to General Reserve			**—**	125.00
— Proposed Dividend			**340.49**	301.66
— Dividend Distribution Tax			**56.56**	51.27
Balance Carried to Balance Sheet			**15,781.60**	9,674.59
Earnings Per Share (Face Value Rs.10 each) - Rs.				
Basic		18	**21.22**	17.00
Diluted			**15.09**	15.55
Significant Accounting Policies & Notes		20 & 21		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

Place: Hyderabad
Date : 06.12.2010

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Cash Flow Statement for the year ended 31 March 2010

Rs. in Lakhs

	Particulars		Year ended 31.03.2010	Year ended 31.03.2009
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit Before Taxation		**10,806.56**	6,812.47
	Adjusted for :			
	Wealth Tax		**0.83**	0.47
	Depreciation & Amortisation		**4,775.96**	2,772.34
	Miscellaneous Expenditure Written Off (Net)		**—**	148.67
	Fixed Assets Written Off		**204.14**	—
	Employee Compensation Expense Under ESOS		**—**	981.60
	Fringe Benefit Tax and Interest Thereon		**—**	451.65
	Foreign Exchange Loss on Advances to Subsidiaries		**—**	105.26
	Foreign Exchange Loss on FCCB (Net)		**—**	99.90
	Interest Income		**(40.88)**	(14.69)
	Interest Expense		**4,375.40**	2,184.84
	Unrealised Foreign Exchange loss (Net)		**2,072.15**	(253.61)
	Provision for Diminution in the Value of Investments		**3.13**	—
	Subsidiaries Advances Written Off		**42.26**	—
	Loss on Sale of Fixed Assets (Net)		**2.44**	100.94
	Operating Profit Before Working Capital Changes		**22,241.99**	13,389.84
	Changes in Working Capital:			
	Trade and Other Receivables		**(33,275.38)**	(22,774.56)
	Inventories		**(670.10)**	59.26
	Trade and Other Payables		**17,506.70**	7,357.43
	Cash Generated from / (Used In) Operations		**5,803.21**	(1,968.03)
	Taxes Paid		**(306.87)**	(20.50)
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**(A)**	**5,496.34**	(1,988.53)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets (after adjustment of Increase/ Decrease in Capital Work in Progress and Advances for Capital Expenses)		**(23,808.39)**	(14,572.28)
	Sale of Fixed Assets		**3.00**	—
	Interest Received		**19.66**	6.21
	Investment in Subsidiaries		**—**	(3.13)
	Advances to Subsidiaries		**(447.24)**	(1,373.20)
	Advances from Subsidiaries		—	720.27
	Repayment of Advances to Subsidiaries		**(720.27)**	—
	NET CASH USED IN INVESTING ACTIVITIES	**(B)**	**(24,953.24)**	(15,222.13)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds From Long Term Borrowings (Net of Repayments)		**10,674.57**	11,637.28
	Proceeds From Short Term Borrowings (Net of Repayments)		**3,355.08**	7,842.40
	Interest Expenses Paid		**(4,161.85)**	(2,184.84)
	Dividend Paid (Including Dividend Distribution Tax)		**(352.93)**	—
	Proceeds From Issue of Equity Capital		**269.31**	16.00
	Proceeds From Issue of Share Warrants		**4,465.25**	—
	Securities Premium Received		**5,634.69**	—
	NET CASH FROM FINANCING ACTIVITIES	**(C)**	**19,884.12**	17,310.84

	Particulars		Year ended 31.03.2010	Year ended 31.03.2009
D)	Effects of Exchange Differences on Translation of Foreign Currency Cash & Cash Equivalents	(D)	**1.00**	0.32
	NET CHANGE IN CASH AND CASH EQUIVALENTS	(A+B+C+D)	**428.22**	100.50
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**671.62**	571.12
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**1,099.84**	671.62

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.466.24 Lakhs (31.03.2009: Rs.515.06 Lakhs) in Fixed Deposits and Margin Deposits Pledged with Banks against Guarantees/ Letters 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 20 and 21 form Integral Part of the Cash Flow Statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

Place: Hyderabad
Date : 06.12.2010

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Schedules forming part of the Balance Sheet

Rs. in Lakhs

Particulars	Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
Schedule 1: Share Capital			
Authorised			
110,000,000 (31.03.2009: 60,000,000) Equity Shares of Rs.10/- each		**11,000.00**	6,000.00
Issued, Subscribed & Paid Up			
34,048,861 (31.03.2009 28,977,456) 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 lakhs from the Profit and Loss account)	4 (a & b)	**3,404.89**	2,897.75
		3,404.89	2,897.75
Schedule 2: Reserves and Surplus			
Securities Premium Account	5		
At the Commencement of the Year		**18,007.80**	16,235.01
Add: Premium on Conversion of FCCB		**2,425.91**	2,967.04
Less: Premium on Redemption of FCCB		**1,125.12**	2,175.85
Add: Premium on Preferential Allotment of Equity Shares		**5,634.69**	—
Add: Premium on Allotment of ESOS 2007		**—**	981.60
(a)		**24,943.28**	18,007.80
General Reserve			
At the commencement of the year		**125.00**	—
Add: Transfer from Profit and Loss Account		**—**	125.00
(b)		**125.00**	125.00
Profit and Loss Account		**15,781.60**	9,674.59
(c)		**15,781.60**	9,674.59
Total (a + b + c)		**40,849.88**	27,807.39
Schedule 3: Secured Loans			
Loans from Banks	6		
Term Loans		**24,387.23**	13,903.93
Working Capital		**15,187.12**	11,832.06
Vehicle Loans		**—**	5.59
Other Loans			
Vehicle Loans		**22.69**	2.51
		39,597.04	25,744.09
Schedule 4: Unsecured Loan			
Others			
Foreign Currency Convertible Bonds	7	**22,450.00**	29,217.61
		22,450.00	29,217.61

Schedules forming part of the Balance Sheet

Schedule 5: Fixed Assets

Rs in Lakhs

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As At 01.04.09	Additions	Deletions / Adjustment	As At 31.03.10	As At 01.04.09	For the year	Deletions / Adjustment	As At 31.03.10	As At 31.03.10	As At 31.03.09
Tangible										
Land	41.92	—	—	41.92	—	—	—	—	41.92	41.92
Buildings	297.23	10.26	3.65	303.84	2.99	10.22	0.13	13.08	290.76	294.24
Plant And Machinery	7,172.48	43.42	92.93	7,122.97	434.20	526.87	92.93	868.14	6,254.83	6,738.28
Electrical Installation	380.83	18.36	—	399.19	22.67	29.18	—	51.85	347.34	358.16
Office Equipment	27.15	6.04	—	33.19	18.82	0.96	—	19.78	13.41	8.33
Furniture & Fixtures	140.76	40.12	0.36	180.52	110.77	2.79	0.36	113.20	67.32	29.99
Computers	4,535.76	6,257.63	328.34	10,465.05	1,168.95	1,296.58	223.46	2,242.07	8,222.98	3,366.81
Vehicles	130.75	29.41	6.49	153.67	65.36	9.87	1.05	74.18	79.49	65.39
Intangible										
Intellectual Property Rights	119.82	—	—	119.82	3.94	11.98	—	15.92	103.90	115.88
Software	17,290.73	1,087.16	758.66	17,619.23	1,747.96	2,887.51	662.92	3,972.55	13,646.68	15,542.77
Total	**30,137.43**	**7,492.40**	**1,190.43**	**36,439.40**	**3,575.66**	**4,775.96**	**980.84**	**7,370.77**	**29,068.63**	**26,561.77**
Capital Work in Progress	—	—	—	—	—	—	—	—	2,332.52	1,716.69
Capital Advance	—	—	—	—	—	—	—	—	18,322.43	1,427.69
Sub-Total	—	—	—	—	—	—	—	—	**20,654.95**	**3,144.38**
Grand Total	—	—	—	—	—	—	—	—	**49,723.58**	**29,706.15**
Previous year	***6,741.03***	***23,506.46***	***110.06***	***30,137.43***	***812.44***	***2,772.34***	***9.12***	***3,575.66***	***29,706.15***	

Note : Refer Note 3(b) of Schedule 20

Schedules forming part of the Balance Sheet

Rs. in Lakhs

Particulars			Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
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**	204.38
— Bartronics America Inc	1,500	USD 1		**0.60**	0.60
— ROI Public Relations Pvt Ltd	31,250	INR 10		**3.13**	3.13
Less: Provision for Diminution in Value of Investments				**(3.13)**	—
				204.98	208.11
Aggregate Book Value of Quoted Investments				**—**	—
Aggregate Book Value of Unquoted Investments				**204.98**	208.11
Schedule 7: Inventories					
Raw Materials					
Manufacturing				**458.44**	636.18
Export Software			11	**986.34**	534.48
Work in Process				**127.97**	27.43
Finished Goods				**397.63**	102.19
				1,970.38	1,300.28
Schedule 8: Sundry Debtors					
(Unsecured)					
Debts Outstanding for a period exceeding six months					
Considered Good			9	**27,004.88**	1,113.88
Considered Doubtful				**47.19**	240.29
Less: Provision for Doubtful Debts				**(47.19)**	(240.29)
				27,004.88	1,113.88
Other Debts - Considered Good				**29,862.03**	20,706.31
[Include Amount Due from a Subsidiary - Rs.Nil (31.03.2009: Rs.37.57 Lakhs)]					
				56,866.91	21,820.19
Of the above: Considered Good				**56,866.91**	2,1820.19
Considered Doubtful				**47.19**	240.29
Schedule 9: Cash and Bank Balances					
Cash in Hand			10(a)	**6.03**	2.03
Cheques in Hand				**1.48**	7.97
Balances with Scheduled Banks					
Current Account				**600.95**	146.56
Dividend Account				**2.82**	—
Fixed Deposits*				**0.99**	1.99
Margin Deposits*				**465.25**	513.07
Balances with Non Scheduled Banks			10(b)		
Current Account				**22.32**	—
***(Pledged with Banks Against Guarantees and Letters of Credit Issued)**				**1,099.84**	671.62

Schedules forming part of the Balance Sheet

Rs. in Lakhs

Particulars	Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
Schedule 10: Loans and Advances (Unsecured)			
Loans & Advances to Subsidiaries	14	**31,761.17**	36,440.65
Advances recoverable in cash or in kind for value to be received			
— Suppliers		**4,637.01**	9,839.65
— Others		**580.50**	3,395.67
— Deposits		**3,020.42**	124.66
Advance Tax and Tax Deducted at Source		**339.22**	32.36
Interest Receivable		**29.70**	8.48
Prepaid Expenses		**487.15**	10.77
Balance with Customs & Excise Authorities		**0.43**	64.38
		40,855.60	49,916.62
Less: Provision for Doubtful Advances		**(14.08)**	(82.06)
		40,841.52	49,834.56
Of the Above: Considered Good		**40,841.52**	49,834.56
Considered Doubtful		**14.08**	82.06
Schedule 11: Current Liabilities & Provisions			
A) Current Liabilities			
Sundry Creditors			
Due to Micro & Small Enterprises	23	—	—
Due to Others			
— Goods and Services		**22,894.84**	9,633.44
— Capital Expenses		**1,246.97**	52.38
— Others		**3,150.53**	221.71
Due to Subsidiary		**—**	720.27
Other Liabilities		**132.50**	177.35
Advances from Customers		**517.93**	565.07
Liability Towards Investor Education and Protection Fund		**2.82**	—
		27,945.59	11,370.22
B) Provisions			
Proposed Dividend		**340.49**	301.66
Dividend Distribution Tax		**56.56**	51.27
Provision for Premium Payable on Redemption of FCCB		**3,554.05**	2,651.37
Provision for Taxation		**3,410.79**	1,337.10
Fringe Benefit Tax		**669.39**	661.65
Employee Benefits	20	**46.47**	18.59
		8,077.75	5,021.64
Schedule 12: Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Development Costs			
Balance At The Commencement of The Year		**—**	148.67
Additions		**—**	16.05
		—	164.72
Less: Written Off During The Year		**—**	164.72
		—	—

Schedules forming part of the Profit and Loss Account

Rs. in Lakhs

Particulars		Note Reference Schedule 21	Year ended 31.03.2010	Year ended 31.03.2009
Schedule 13: Sales		19(b)		
A) Export - Software				
Value Added			**12,787.40**	11,510.79
Self Developed			**17,468.33**	10,008.20
Sub Total			**30,255.73**	21,518.99
B) Manufacturing			**2,911.03**	964.59
C) Trading				
Software			**14,906.38**	3,849.50
Hardware			**7,767.27**	11,105.55
Sub Total			**22,673.65**	14,955.05
D) Services			**2,170.21**	150.12
Total			**58,010.62**	37,588.75
Schedule 14 : Other Income				
Interest on Deposits - Gross [Tax deducted at Source Rs.4.38 Lakhs (31.03.2009: Rs.2.28 Lakhs)]			**40.88**	14.69
Liabilities no longer required written back			**473.24**	—
Provision no longer required written back (Net)			**164.05**	—
Miscellaneous Income			**67.30**	1.27
			745.47	15.96
Schedule 15 : Cost of Goods Sold				
Raw Material Consumed				
Manufacturing				
Opening Stock			**636.18**	139.45
Add: Purchases			**2,300.01**	1,293.85
Less: Closing Stock			**458.44**	636.18
	(a)		**2,477.75**	797.12
Export - Software				
Opening Stock			**534.48**	1,090.28
Add: Purchases			**11,297.83**	8,502.78
Less: Closing Stock			**986.34**	534.48
	(b)		**10,845.97**	9,058.59
Trading - Purchases	(c)	8	**19,203.83**	11,781.54
Total	(a + b + c) A		**32,527.55**	21,637.25
(Increase) / Decrease in Stock				
Closing Stock				
Work-in-Process			**127.97**	27.43
Finished Goods			**397.63**	102.19
			525.60	129.62
Opening Stock				
Work-in-Process			**27.44**	0.09
Finished Goods			**102.19**	129.71
			129.63	129.80
Total	B		**(395.97)**	0.18
Total	A + B		**32,131.58**	21,637.43

Schedules forming part of the Profit and Loss Account

Rs. in Lakhs

Particulars	Note Reference Schedule 21	Year ended 31.03.2010	Year ended 31.03.2009
Schedule 16 : Manufacturing Expenses			
Factory Maintenance		**34.16**	13.09
Power & Fuel		**46.08**	21.34
Repairs & Maintenance		**—**	25.59
Sub - Contracting Charges		**2,011.18**	—
		2,091.42	60.02
Schedule 17 : Personnel Expenses			
Salaries, Wages & Bonus		**566.91**	639.21
Contribution to Provident Fund and Other Funds		**51.45**	18.88
Directors Remuneration	15	**128.65**	140.09
Staff Welfare Expenses (Includes Employee Benefits)		**28.92**	19.81
		775.93	817.99
Schedule 18: Administrative, Selling and Other Expenses			
Rent	22	**112.34**	90.03
Insurance		**78.42**	16.79
Rates & Taxes		**106.15**	90.34
Printing & Stationery		**23.21**	11.11
Communication Expenses		**37.10**	40.14
Travelling & Conveyance		**141.83**	216.13
Legal & Professional Charges		**348.46**	210.68
General Expenses		**168.00**	102.50
Bank Charges		**100.55**	15.66
Directors Sitting Fees	15	**1.30**	1.09
Auditor's Remuneration - Audit Fees		**45.00**	35.00
Foreign Exchange Loss (Net)		**2,177.90**	201.23
Provision for Doubtful Debt / Advances / Deposits		**154.58**	322.35
Provision for Diminution In Value Of Investment		**3.13**	—
Fixed Assets Written off		**204.14**	—
Bad Debts / Advances Written Off (Net)		**31.51**	34.31
Loss on Sale of Assets (Net)		**2.44**	—
Repairs & Maintenance - Others		**57.28**	14.68
Freight Outwards		**5.90**	13.51
Prior Period Expenses		**—**	1,739.35
		3,799.24	3,154.90
Schedule-19 : Interest & Finance Charges			
Interest on Term Loans		**2,110.60**	870.66
Interest on Working Capital		**1,721.43**	651.91
Finance Expenses		**543.37**	662.27
		4,375.40	2,184.84

SCHEDULE : 20 SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation of Financial Statements:**

   The financial statements have been 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. **Use of Estimates:**

   The preparation of the financial statements in conformity with Indian GAAP requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. **Fixed Assets:**

   A. Tangible Assets:

   Fixed Assets are stated at cost (net of duties and taxes) less depreciation. Cost includes installation and expenditure during construction, import duties, freight, insurance and incidental expenses directly attributable to the Fixed Assets. Fixed Assets costing less than Rs.5,000 are fully depreciated in the year of purchase. Assessment for indication of any impairment of Fixed Asset is made at the year-end and impairment loss, if any, is recognized immediately. Depreciation is provided pro-rata on Straight Line Method as per the rates and in the manner provided in the Schedule XIV of the Companies Act, 1956, except for the following fixed assets where the rates applied are higher than the rates provided in Schedule XIV of the Companies Act, 1956:-

Plant & Machinery	7.42%
Electrical Installations	7.42%

   B. Intangible Assets:

   Intangible Assets are stated at cost less amortization. Intangible Assets are amortized over their estimated useful lives on a straight line basis using following rate of depreciation.

Intellectual Property Rights	10.00%
Software	16.67%

4. **Borrowing Costs:**

   Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial 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. **Impairment of Assets:**

   At each balance sheet date, the Management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of asset and from its disposal are discounted to their present value using a pre tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

   Reversal of impairment loss recognized in prior years if any is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in the prior years.

6. Investments:

Long-term Investments are stated at cost less diminution in the value of investments that is other than temporary. Current investments are valued at lower of cost and fair value.

7. Inventories:

Inventories are valued at lower of cost and net realisable value. The method of arriving at cost of various categories of inventories is as below:

a) Raw Materials	First in First Out Method
b) Finished Goods and Work-In-Process	Direct Material cost plus appropriate overheads

8. Income Taxes:

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred Tax assets and liabilities are measured using current applicable tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the period of enactment of the change.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty, as applicable, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

9. Employee Benefits:

The estimated liability for employee benefits for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the employee benefits are as follows:

A. Gratuity - The Company has an obligation towards gratuity, a defined retiring plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The liability is determined and charged to profit and loss account on the basis of valuation by independent actuary.

B. Provident Fund - This is a defined contribution plan of the Government of India under which both the employer and employee contribute monthly at a pre-determined rate (currently up to 12 % of employee salary) and the Company has no further obligation.

10. Revenue Recognition:

A. Export Sales:

Revenue from Sale of Export of Software is recognized upon transmission of software to customers through electronic form, when significant risks and rewards relating to the ownership of products are transferred to the customers by Company.

B. Manufactured Sales:

Revenue from Sale of Manufactured Goods is recognized upon dispatch of goods to customer, when significant risks and rewards relating to ownership of products are transferred to the customers by the Company. Gross Sales are inclusive of Excise duty.

C. Trading Sales:

Revenue from Trading sales are recognized upon transmission of software to customer through electronic data transfer or by endorsement of bill of lading as the case may be, when significant risks and rewards relating to ownership of products are transferred to the customers by the company.

D. Service Income:

Annual Maintenance Contract and Service Income are recognized on a time proportion basis.

11. Foreign Currency Translation and 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 year-end are translated at the year-end exchange rates. Income and Expenses are translated at the average monthly rates. The resulting exchange gains and losses are recognized in the profit & loss account.

B. Foreign Branch:

Assets (other than Fixed Assets) and Liabilities of the foreign branch are translated into Indian Rupees at the exchange rate prevailing as at the Balance Sheet date. Fixed Assets are carried at the exchange rate prevailing on the date of transaction. Revenue and Expenses are translated into Indian Rupees at daily average rates.

C. Other Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are restated at the exchange rate on the date of the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost. Exchange differences on settlement or restatement are adjusted in the Profit and Loss account. Premium or discount on forward contracts is amortized over the life of such contract and is recognized as income or expense in the Profit and Loss account. Any profit or loss arising on cancellation or renewal or retirement of forward contract is recognized in Profit and Loss account.

12. Leases:

The Company's significant leasing arrangements are in respect of operating leases for premises and equipments. The leasing arrangements range from 11 months to 5 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable and receivable are charged as rent or recognised as income, in the Profit and Loss Account.

13. Earnings Per Share:

Basic earnings per equity share ("EPS") is calculated by dividing the Net Profit/ (Loss) after Tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share is computed by dividing the net profit or loss after tax 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:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates 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. Contingent liabilities are not provided for but disclosed in the notes to the financial statements.

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: 21 Notes to Account:

1. **Contingent Liabilities:**

Letters of Credit and Guarantees issued: Rs. in lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
Letters of Credit	—	4,277.10
Counter Guarantees Given To Banks Towards :		
— Bank Guarantees Issued	**71.38**	298.85

2. **Claims Against The Company Not Acknowledged As Debts:**

Disputed Income Tax Liability Rs.225.16 Lakhs (31.03.2009: Rs.8.51 Lakhs). The Company has contested before appellate authorities.

3. Estimated Amount Of Contracts Remaining To Be Executed On Capital Account And Not Provided For [Net Of Advance Rs.18,322.43 Lakhs (31.03.2009 Rs.1,427.69 Lakhs)] Rs.26,734.64 Lakhs (31.03.2009: Rs.80,000 Lakhs)

4. **Share Capital:**

During the year:

a) US$ 60 Lakhs worth of Foreign Currency Convertible Bonds (FCCB) have been converted into 2,378,340 equity shares of Rs.10 each aggregating to Rs.237.83 Lakhs at a premium of Rs.102 per share aggregating to Rs.2,425.91 Lakhs.

b) The Company has issued shares under Preferential Allotment of 2,200,000 equity shares of Rs.10 each at a premium of Rs.222 per share fully paid-up belonging to the promoter and promoter group and 493,065 equity shares of Rs.10 each at a premium of Rs.152.25 per share fully paid-up to non-promoters group, aggregating to Rs.269.31 Lakhs of equity shares and Rs.5,634.69 Lakhs of securities premium.

c) The Company has issued 6,300,000 Compulsory Convertible Warrants of Rs.10 each at a premium of Rs.222 per warrant belonging to the promoter and promoter group and 2,000,000 Compulsory Convertible Warrants of Rs.10 each at a premium of Rs.152.25 per warrant to non-promoter groups, which are convertible into equity shares at a later date but before expiry of 18 months from the date of issue in one or more tranches. As per the terms of issue, the Company has received 25% value of the Compulsory Convertible Warrants aggregating to Rs.4,465.25 Lakhs.

5. **Reserves & Surplus:**

Securities Premium:

a. Movement of security premium account is given below: Rs. in Lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
Opening Balance	**18,007.80**	16,235.01
Add: Premium on conversion of FCCB into equity shares:- US$ 60 Lakhs FCCB and conversion premium thereon of Rs 219.94 Lakhs (equivalent to 5.40 Lakhs USD) converted into 2,378,340 Equity Shares (Previous year USD 75 Lakhs FCCB Converted into 2,282,332 Equity Shares) @ Rs.112/-	**2,425.91**	2,967.04
Add: Premium on allotment under ESOS 2007	—	981.60
Add: Premium on allotment of 2,693,065 Preferential equity Shares (Refer Note 4 (b) above)	**5,634.69**	—
Sub Total	**26,068.40**	20,183.65
Less: Premium Payable on redemption of FCCB	**1,125.12**	2,175.85
Closing Balance	**24,943.28**	18,007.80

b. As stated in Significant Accounting Policies No. 15 of Schedule 20, 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.5,305.05 Lakhs.

6. 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 fixed assets, present and future and pari passu second charge on all the current assets both present and future.
- The personal guarantees of certain promoters.

b) Amounts repayable within twelve months in respect of Term Loans: Rs.4,114.25 Lakhs (31.03.2009: Rs.2,610.38 Lakhs)

II. Working Capital Loans:

Working Capital loans availed from banks are secured by:

- First pari-passu charge on all the movable 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 movable fixed assets of the Company.
- The personal guarantees of certain promoters.

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. 7.52 Lakhs (31st March, 2009: Rs 5.92 Lakhs).

7. Unsecured Loans:

Foreign Currency Convertible Borrowings (FCCB):

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 23,78,340 (31.03.2009: 2,282,332) shares were allotted out of the FCCB-I consequent to conversion of balance 60 bonds (31.03.2009: 75 bonds) aggregating to US$ 60 Lakhs (31.03.2009 US$ 75 Lakhs). The balance bonds unless converted will be redeemed on 4th February, 2013 in respect of FCCB-II. On conversion of 60 bonds of FCCB-I, the entire issue of 250 bonds aggregating to US$ 250 Lakhs now stand converted into equity shares.

FCCB-II Price Reset: Pursuant to the terms and conditions of FCCB-II Bond issue the conversion price has been reset from Rs.290 to Rs.232 on 6 July, 2009 and further to Rs.191.25 on 4 January, 2010.

Movement of Foreign Currency Convertible Bonds is given below: Rs. in Lakhs

Particulars	As at March 31, 2010			As at March 31, 2009		
	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total
Opening Balance	**3,130.46**	**26,087.15**	**29,217.61**	5,496.06	19,785.00	25,281.06
Add: FCCB raised during the year.	**—**	**—**	**—**	—	—	—
Add: Foreign Exchange Loss (net)	**—**	**—**	**—**	689.15	6,302.15	6,991.30
Less: Foreign Exchange Gain (net)	**689.16**	**3,637.15**	**4,326.31**	—	—	—
Less: Converted into equity shares 60 Bonds (Previous Year 75 Bonds) face value of US$ 100,000 each	**2,441.30**	**—**	**2,441.30**	3,054.75	—	3,054.75
Closing Balance	**—**	**22,450.00**	**22,450.00**	3,130.46	26,087.15	29,217.61

8. **Sales:**

Self Developed Software:

The Company has incurred development cost for the self developed software's and charged to the profit and loss accounts in the earlier years. No further development costs are incurred on the sale self developed software's during the year.

Trading Sales and Purchases:

The trading sales and purchases include software sales of Rs.8,837.59 Lakhs and Rs.8,461.87 Lakhs recognized upon transmission of software to customer or by vendors through electronic form and significant risks and rewards relating to ownership of products are transferred to the customers or by the vendor. These sales and purchases are integral part of the project fulfilment process and are in the normal course business practice. The Customers and Vendors have confirmed the receipt / dispatch of goods/services and the balance outstanding as on 31 March 2010.

9. **Sundry Debtors:**

Sundry Debtors outstanding for more than six months considered good for recovery by the Management is Rs.27,004.88 Lakhs. Due to slowdown and recessionary conditions witnessed in the global market during 2009-10, the Company has to give extension in the payment terms to some of these export customers. These export customers are dealing with the Company for number of years and their dealings with the Company are satisfactory. Subsequent to the balance sheet date the Company has recovered Rs. 22,243.39 Lakhs and the balance debtors are recoverable and considered good, hence no provision for bad and doubtful debt is considered necessary.

10. **Cash & Bank Balances:**

a. Cash on Hand includes Rs. Nil (31.03.2009: Rs. Nil) held in foreign currency.

b. Balance in Current Account includes balance with non-scheduled banks as follows: Rs. in Lakhs

Bank	Balance as on 31.03.2010	Maximum Balance any time during the year 2009-10
In Current Account		
Bank of America	**17.75**	304.27
Bank of Hongkong	**4.57**	4.54
Total	**22.32**	308.81

11. Inventories:

Closing Stock of Raw-Material- Export software stocks of Rs.986.34 Lakhs is non-moving for more than nine months. These software stocks relate to common application software's, the Company has been implementing over the years. The Company is confident of selling this application software in the near future and no provision for slow and non-moving stocks is considered necessary.

12. Derivatives:

Unhedged foreign exchange exposures:

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:

Rs. in Lakhs

Currency	Cross Currency	Nature	As at March 31, 2010			As at March 31,2009		
			No of Contracts	Foreign Currency (Lakhs)	Rs. (Lakhs)	No of Contracts	Foreign Currency (Lakhs)	Rs. (Lakhs)
USD	INR	Buy	—	—	—	1	2	104.35

2. Exchange difference in respect of forward exchange contracts to be recognized in the profit and loss account in subsequent reporting period amounts to Rs.Nil (31.03.2009 Rs.0.29 Lakhs)

3. The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

Particulars	As at 31.03.10		As at 31.03.09	
	US Dollar (lakhs)	Rupee Equivalent (lakhs)	US Dollar (lakhs)	Rupee Equivalent (lakhs)
Amount Receivable on Account of				
Export of Goods	1224.17	54,965.09	301.38	15,724.41
Other Receivables	703.43	31,583.98	698.06	36,420.72
Amount Payable on account of Import of Goods & Services	461.34	20,714.03	165.47	8,633.07
Capital Imports	11.16	500.91	21.44	1,112.39
Foreign Currency Convertible Bonds	500.00	22,450.00	560.00	29,217.61
Other Payables	72.62	3,260.58	104.75	5,465.37

13. Related Party Disclosures:

A. Related Parties and Nature of Relationship

1. 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	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.		
1. Bartronics Hongkong	Hong Kong	100%

2. **Key Management Personnel**

1. Mr. Sudhir Rao - Managing Director
2. Mr. T Venkateswara Rao - Whole Time Director (Finance)*
3. Mr. S. T. Prasad - Whole Time Director (Technical)*

*Mr. T Venkateswara Rao and Mr. S.T Prasad are non executive director's w.e.f 30.01.2010

B. **Related Party Transactions:** Rs. in Lakhs

Transactions	Subsidiaries		Key Management Personnel and their relatives	
	2009-10	2008-09	2009-10	2008-09
Sales				
Bartronics Asia Pte Ltd.	—	36.22	—	—
Purchases				
Bartronics America Inc.	**1510.47**	—	—	—
Diminution in value of Investment				
ROI Public Relations Pvt Ltd.	**3.13**	—	—	—
Advances Written-Off				
ROI Public Relations Pvt Ltd.	**42.26**	—	—	—
Advances to				
Bartronics America Inc.	***426.20**	*5,727.60	—	—
Bartronics Asia Pte Ltd.	—	*2,610.40	—	—
ROI Public Relations Pvt Ltd.	**21.20**	21.06	—	—
Advances from				
Performica Software Pvt. Ltd.	—	720.27	—	—
Investment in Equity Shares				
ROI Public Relations Pvt Ltd.	—	3.13	—	—
Balances Outstanding Advances & Receivables				
Bartronics America Inc.	**22,288.53**	25,412.27	—	—
Bartronics Asia Pte Ltd. #	**9,472.64**	11,044.88	-	—
ROI Public Relations Pvt Ltd.	—	21.06	—	—
Balance Outstanding Payable				
Performica Software Pvt. Ltd.	—	720.27	—	—
Remuneration Paid			128.87	140.22
Mr. Sudhir Rao	—	—	82.18	82.18
Mr. S T Prasad	—	—	26.66	34.00
Mr. T Venkateswara Rao	—	—	20.03	24.04

* includes foreign exchange fluctuation of Rs.6.75 Lakhs (31.03.2009 Rs. 6,985.85 Lakhs).
# includes receivable balance of Rs Nil (31.03.09 Rs 37.57 Lakhs)

14. Disclosure as per Clause 32 of the Listing Agreement

Loans and Advances in the nature of Advances given to Subsidiaries: Rs. in lakhs

Name of the Company	Relationship	Amount outstanding as on 31.03.10	Maximium Balance outstanding during the year
Bartronics Asia Pte Ltd	Subsidiary	**9,472.64** *11,007.32*	11,007.32 *11,007.32*
Bartronics America Inc	Subsidiary	**22,288.53** *25,412.27*	25,412.27 *26,539.48*
ROI Public Relations Pvt Ltd	Subsidiary	**—** *21.06*	42.26 *24.18*
Total		**31,761.17** *36,440.65*	36,461.85 *37,570.98*

Figures in italics represent previous year's figures.

15. Managerial Remuneration

Rs. in lakhs

Particulars	2009-10	2008-09
Salaries & Allowances	**128.65**	140.09
Contribution to Provident Fund	**0.22**	0.13
Directors' Sitting Fees	**1.30**	1.09
Total	**130.17**	141.31

1. The above excludes provision for gratuity, which is actuarially determined on an overall basis.
2. As per the term of appointment, no commission is payable to Managing Director or Whole time Directors, accordingly computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 is not given.

16. Segment Reporting

1. The activities of the Company relate to only one business segment i.e. the business of providing Automatic Identification & Data Capture (AIDC) solutions.
2. Information relating to Secondary Segment based on geographical location: Rs. in Lakhs

Particulars	Segment Revenue				Segment Assets			
	Sales				Debtors			
	2009-10		2008-2009		2009-10		2008-2009	
Hong Kong	**33,209.61**	**57.25**	20,060.86	53.37	**35,108.91**	**61.74**	15,148.84	69.43
UAE	**14,482.96**	**24.97**	—	—	**15,365.26**	**27.02**	—	—
USA	**1,993.08**	**3.33**	6,212.71	16.53	**1,202.03**	**2.11**	1,277.20	5.85
Others	**4,510.94**	**7.88**	648.66	1.73	**4,490.93**	**7.90**	37.57	0.17
Outside India	**54,196.59**	**93.43**	26,922.23	71.62	**56,167.13**	**98.77**	16,463.61	75.45
Within India	**3,814.03**	**6.57**	10,666.52	28.38	**699.78**	**1.23**	5,356.58	24.55
Total	**58,010.62**	**100.00**	37,588.75	100.00	**56,866.91**	**100.00**	21,820.19	100.00

17. Composition of Deferred Tax Liability: Rs. in Lakhs

Particulars	As at 31.03.2009	Movement during the year	As at 31.03.2010
Deferred Tax Liability:			
Relating to Fixed Assets	1,607.16	2,333.85	**3,941.01**
Total	1,607.16	2,333.85	**3,941.01**
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	109.57	(97.36)	**12.21**
Disallowances under Section 43B	15.38	(3.39)	**11.99**
Total	124.95	(100.75)	**24.20**
Net Deferred Tax Liability	1,482.21	2,434.60	**3916.81**

Note: Based on expert opinion the deferred tax expense has been recognized using current applicable effective tax rate being Minimum Alternate Tax (MAT) rate.

18. Earnings Per Share :

		2009-10	2008-09
Profit after Taxation (Rs. in Lakhs)		**6,504.06**	4,811.39
Weighted average no. of equity shares outstanding		**30,643,757**	28,307,253
Add: Dilutive effect of potential shares out of Stock Options/ FCCB/ Warrants, etc., outstanding		**12,456,757**	2,630,217
Weighted average number of equity shares	- Basic	**30,643,757**	28,307,253
	- Diluted	**43,100,514**	30,937,470
Earnings per share on profit/(loss) after taxation (Face Value: Rs. 10/ each) - Rs.			
	- Basic	**21.22**	17.00
	- Diluted	**15.09**	15.55*

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

19. "The Company is engaged in development, trading and maintenance of computer hardware's and software's. Being technical in nature, the production and sale of such hardware's and software's cannot be expressed in generic units. Accordingly the quantitative information relating to production, purchases, consumption and sales, as required under paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956, has not been provided."

(a) Capacities & Production

		2009-10	2008-09
Particulars	**Unit**	**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.

(b) Turnover, Opening and Closing stocks

Particulars	Unit	2009-10		2008-09	
		Qty	Rs.in lakhs	Qty	Rs.in lakhs
Sales					
A) Manufacturing					
i) Domestic Sales:					
Cards & RFID	Nos.	**27,217,438**	**2,911.03**	5,119,095	964.59
ii) Export Sales:					
Value Added Software	-	—	**12,787.40**	—	11,510.79
Self Developed Software	-	—	**17,468.33**	—	10,008.20
Total			**30,255.73**		21,518.99
B) Trading Sales					
Software	-	—	**14,906.38**	—	3,849.50
Hardware	-	—	**7,767.27**	—	11,105.55
Total			**22,673.65**		14,955.05
C) Services	-	—	**2,170.21**	—	150.12
Total			**58,010.62**		37,588.75
Opening Stock:					
Raw materials					
Cards & RFID	Nos.	**2,619,024**	**636.18**	159,447	139.45
Value Added software	-.	—	**534.48**	—	1090.28
Work in Process					
Cards & RFID	-	—	**27.43**	—	0.09
Finished Goods					
Cards & RFID	Nos.	**513,070**	**22.82**	68,022	1.03
AIDC Hardware	-	—	**79.37**	—	128.68
Total			**1,300.28**		1,359.84
Closing Stock:					
Raw materials					
Cards & RFID	Nos/kgs.	**1,335,689**	**458.44**	2,619,024	636.18
Value Added software	-	—	**986.34**	—	534.48
Work in Process					
Cards & RFID	-	—	**127.97**	—	27.43
Finished Goods					
Cards & RFID	Nos.	**10,000**	**1.50**	513,070	22.82
AIDC Hardware	-	—	**82.00**	—	79.37
AIDC Software	-	—	**314.13**	—	—
Total			**1,970.38**		1,300.28

(c) Purchase of Traded Goods

Particulars	2009-10			2008-09		
	Unit	Qty	Rs. in lakhs	Unit	Qty	Rs. in lakhs
AIDC Hardware & Software	-	—	**19,203.83**	-	—	11,781.54

(d) Consumption of Raw Materials

Particulars	2009-10			2008-09		
	Unit	Qty	Rs. in lakhs	Unit	Qty	Rs. in lakhs
Cards & RFID	Nos./Kgs	**27,267,480**	**2,477.75**	Nos./Kgs.	5,083,302	797.12
Value Add Software	-	—	**1,0845.97**	-	—	9,058.59
Total			**13,323.72**			9,855.71

(e) Consumption of Directly Imported And Indigenously Obtained Raw Materials, Stores And Spares And Components

Particulars	2009-10		2008-09	
	Rs.in lakhs	%	Rs. in lakhs	%
Raw Materials				
— Imported	**13,283.57**	**99.70%**	9,855.71	100.00%
— Indigenous	**40.15**	**0.30%**	-	-
Total	**13,323.72**	**100%**	9,855.71	100%

(f) CIF Value of Imports

Rs. in lakhs

Particulars	2009-10	2008-09
Raw Material	**32,595.37**	16,289.73
Capital Goods	—	22,741.16

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

Rs. in lakhs

Particulars	2009-10	2008-09
FOB Value of Exports	**30,255.73**	21,518.99

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

Rs. in lakhs

Particulars	2009-10	2008-09
Foreign Travel	**12.85**	17.80
Others	—	32.93

20. Disclosures as required under Accounting Standard AS-15

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

Gratuity Plan (Unfunded)

A. Components of Employer Expense Rs. in Lakhs

Particulars	2009-10	2008-09
Current Service Cost	**4.62**	1.42
Interest Cost	**1.11**	1.87
Expected Return on Plan Assets	**—**	—
Actuarial Losses/(Gains)	**27.48**	(6.83)
Total expense recognized in the Statement of Profit & Loss Account	**33.21**	(3.54)

B. Change in Defined Benefit Obligations (DBO) Rs. in Lakhs

Particulars	2009-10	2008-09
Present Value of DBO at Beginning of Year	**18.59**	13.96
Unrecognized past service cost (transitional provision adjusted)	**—**	9.38
Current Service Cost	**4.62**	1.42
Interest Cost	**1.11**	1.87
Actuarial (Gains)/Losses	**27.48**	(6.83)
Benefits Paid	**(5.33)**	(1.21)
Present Value of DBO at the End of Year	**46.47**	18.59

C. Actuarial Assumptions

Discount Rate	:	6%	(2008-09 - 8%)
Attrition Rate	:	8%	(2008-09 -10%)
Salary Escalation Rate	:	10%	(2008-09 -10%)

21. Current Income Tax:

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

22. 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:

- All lease agreements are cancellable in nature and range between 11 months to 5 years.
- As per the agreements, refundable interest free deposits have been given.

- Some of the agreements provide for increase in rent.
- Some of the agreements provide for early termination by either party with a notice period which varies from 15 days to 3 months.
- Some of the agreements contain a provision for its renewal by mutual consent on mutually agreeable terms.
- Operating Lease payments recognised in the statement of profit and loss for the year: Rs.112.34 Lakhs (2008 09: Rs.90.03 Lakhs)

23. The dues to Micro and Small enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006 (the Act) are identified by the Company based on enquiries with the parties and information available with the Company. This has been relied upon by the auditors.

24. 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
Director

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Place : Hyderabad
Date : 06.12.2010

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 (the Company and its subsidiaries constitute "the Group") as at 31st March, 2010 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto in which are incorporated the return from a overseas branch audited by other auditor. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. ***a) The trading sales and purchases includes software transmitted through electronic form without adequate documentary evidence with respect to transfer of significant risks and rewards incidental to the ownership aggregating to Rs.8,837.59 Lakhs and Rs 8,461.87 Lakhs respectively and are outstanding as on 31 March 2010, on which we are unable to express our opinion. Had the adjustment been made in the financial statements, the sales and the debtors would be lower by Rs.8,837.59 Lakhs, the purchases and the creditors would be lower by Rs.8,461.87 Lakhs,***

   b) The Company based on the expert opinion obtained, has recognized the deferred tax expense using current applicable effective tax rate, being Minimum Alternate Tax (MAT) rate, instead of regular tax rates as specified by paragraph 21 of Accounting Standard 22 - "Accounting for Taxes on Income". Had the Company recognised the deferred tax expense using regular tax rates, the deferred tax expense for the year would be higher by Rs.2,615.89 Lakhs.

   Had the adjustments referred in (a) and (b) above, been made in the financial statements, the profit after tax and Reserves and Surplus would be lower by Rs 2,927.76 Lakhs. The basic and diluted earnings per share would be lower by Rs.9.55 and Rs 6.79 respectively

4. Without qualifying our opinion, attention is invited to the following regarding inventories and debtors for the reasons stated therein:

   (a) Note 9 of Schedule 21 regarding debtors balance aggregating to Rs. 4,761.49 Lakhs outstanding for more than six months, considered good for recovery by the management and no provision has been made

   (b) Note 10 of Schedule 21 regarding non-provision for slow moving software inventories aggregating to Rs. 986.34 Lakhs lying for more than nine months, considered saleable by the Company and no provision has been made

5. (a) As stated in Note 1 (a) of Schedule 21, the financials statements of two subsidiaries, whose financial statements reflect total assets of Rs 11,538.53 Lakhs as at 31st March, 2010, total revenues of Rs.23,693.01 Lakhs and net cash outflows amounting to Rs. 314.06 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements have been considered on the basis of unaudited financial statements prepared by the management;

   (b) As stated in Note 1 (b) of Schedule 21, the financials statements of one subsidiary has not been considered in the preparation of Consolidated Financial Statements, for reason stated therein.

6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

7. Based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, ***subject to the paragraph 3*** and 5 above and Note 20 of Schedule 21, in our opinion, the 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 31st March, 2010;

   (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
(Registration No.008072S)

C R Rajagopal
Partner
(Membership No.23418)

HYDERABAD, 6th December, 2010

Consolidated Balance Sheet As At 31 March 2010

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	4(a&b)	**3,404.89**	2,897.75
Share Warrants		4 (c)	**4,465.25**	—
Reserves and Surplus	2	5	**43,419.03**	28,272.03
			51,289.17	31,169.78
Loan Funds				
Secured Loans	3	6	**39,597.04**	25,744.09
Unsecured Loans	4	7	**22,450.00**	29,217.61
			62,047.04	54,961.70
Deferred Tax Liability (Net)		15	**3,824.16**	1,482.21
TOTAL			**117,160.37**	87,613.69
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block			**57,516.45**	50,337.93
Less: Depreciation & Amortisation			**7,695.41**	3,825.71
Net Block			**49,821.04**	46,512.22
Capital work-in-progress			**20,654.96**	3,144.38
[(Includes Capital Advances Rs.18,322.43 lakhs)			**70,476.00**	49,656.60
(31.03.2009 Rs.1,427.69 lakhs)]				
Investments	6		**—**	3.13
Current Assets, Loans & Advances				
a. Inventories	7	10	**1,970.38**	1,300.28
b. Sundry Debtors	8	9	**71,632.21**	33,530.91
c. Cash and Bank Balances	9		**1,496.42**	1,382.26
d. Loans and Advances	10		**16,373.11**	21,657.49
			91,472.12	57,870.94
Less: Current Liabilities & Provisions	11			
a. Current Liabilities			**36,647.91**	14,766.88
b. Provisions			**8,139.84**	5,150.10
			44,787.75	19,916.98
Net Current Assets			**46,684.37**	37,953.96
TOTAL			**117,160.37**	87,613.69
Significant Accounting Policies and Notes		20 & 21		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

Place: Hyderabad
Date : 06.12.2010

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Consolidated Profit & Loss Account for the Year Ended 31 March 2010

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 21	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME				
Gross Sales			**81,851.15**	58,858.28
Less: Excise Duty			**147.52**	58.34
Net Sales	13	8	**81,703.63**	58,799.94
Other Income	14		**1,390.37**	264.17
			83,094.00	59,064.11
EXPENDITURE				
Cost of Goods Sold	15		**53,197.03**	36,202.41
Manufacturing Expenses	16		**580.95**	60.02
Personnel Expenses	17		**1,987.61**	2,724.42
Administrative, Selling and Other Expenses	18		**3,117.71**	5,342.35
Foreign Currency Translation Loss		19	**—**	5,280.81
Interest & Finance Charges	19		**4,375.40**	2,184.84
Depreciation & Amortisation	5		**4,850.54**	2,920.79
Miscellaneous Expenditure written Off	12		**—**	176.30
			68,109.24	54,891.94
Profit Before Tax			**14,984.76**	4,172.17
Taxation				
— Current Tax (includes Rs.14.68 lakhs (Cr) (31.03.2009 - Rs.15.68 (Dr) lakhs relating to earlier years)			**2,130.41**	902.04
— Deferred Tax (includes Rs. Nil (31.03.2009 - Rs.682.00 lakhs relating to earlier years)		15	**2,341.95**	1,072.40
— Fringe Benefit Tax			**—**	133.01
Profit After Tax			**10,512.40**	2,064.72
Balance brought forward from Previous Year			**10,139.23**	8,558.64
Less: Adjustment towards employee benefits			**—**	6.20
Less: Adjustment (Refer note 21 of Schedule 21)			**(1,903.83)**	—
Balance available for appropriations			**18,747.80**	10,617.16
Appropriations:				
— Transfer to General Reserve			**—**	125.00
— Proposed Dividend			**340.49**	301.67
— Dividend Distribution Tax			**56.56**	51.27
Balance Carried to Balance Sheet			**18,350.75**	10,139.23
Earnings per Share (Face Value of Rs.10 each)				
Basic		16 & 20	**34.31**	7.29
Diluted			**24.39**	6.67
Significant Accounting Policies & Notes	20 & 21			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

Place: Hyderabad
Date : 06.12.2010

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2010

Rs. in Lakhs

	Particulars		Year ended 31.03.2010	Year ended 31.03.2009
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before Taxation		**14,984.76**	4,172.17
	Adjusted for:			
	Wealth Tax		**0.83**	0.47
	Depreciation & Amortisation		**4,850.54**	2,920.79
	Miscellaneous Expenditure written off (net)		**—**	151.25
	Fixed Assets written off		**204.14**	—
	Employee Compensation Expense under ESOS		**—**	981.60
	Fringe Benefit Tax and interest thereon		**—**	451.65
	Foreign Exchange loss on FCCB (net)		**—**	99.90
	Interest income		**(40.88)**	(14.69)
	Interest expense		**4,375.40**	2,184.84
	Unrealised Foreign Exchange (gain)/loss (Net)		**(3,012.30)**	6,837.50
	Subsidiaries advances written off		**42.26**	—
	Provision for diminution in the value of investments		**3.13**	—
	Loss on sale of fixed assets (Net)		**2.44**	100.94
	Adjustment of previous year profits		**(1,903.83)**	—
	Operating profit before working capital changes		**19,506.49**	17,886.42
	Changes in:			
	Trade and other receivables		**(35,380.21)**	(34,216.01)
	Inventories		**(670.10)**	3,743.13
	Trade and other payables		**21,976.76**	9,953.93
	Cash generated from/(used in) operations		**5,432.94**	(2,632.53)
	Taxes paid		**(520.42)**	(20.50)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**(A)**	**4,912.52**	(2,653.03)
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)		**(24,684.94)**	(14,928.30)
	Sale of Fixed Asset		**3.00**	—
	Interest received		**19.66**	6.22
	Investment in subsidiary		**—**	(3.13)
	Advances to subsidiaries		**(21.21)**	—
	NET CASH USED IN INVESTING ACTIVITIES	**(B)**	**(24,683.49)**	(14,925.21)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Proceeds from long term borrowings (net of repayments)		**10,674.57**	11,637.28
	Proceeds from short term borrowings (net of repayments)		**3,355.08**	7,842.40
	Interest & Finance Expenses Paid		**(4,161.85)**	(2,184.84)
	Proceeds from Issue of Equity Capital		**269.31**	16.00
	Application money towards share warrants received		**4,465.25**	—
	Securities Premium Received		**5,634.69**	—
	Dividends Paid (Including Distribution tax)		**(352.93)**	—
	NET CASH FROM FINANCING ACTIVITIES	**(C)**	**19,884.12**	17,310.84

	Particulars		Year ended 31.03.2010	Year ended 31.03.2009
D)	Effects of exchange differences on translation of foreign currency cash & cash equivalents	**(D)**	**1.01**	0.32
	NET CHANGE IN CASH AND CASH EQUIVALENTS	**(A+B+C+D)**	**114.16**	(267.08)
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		**1,382.26**	1,649.34
	CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**1,496.42**	1,382.26

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 466.24 lakhs (31.03.2009: Rs. 515.06 lakhs) 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 20 and 21 annexed hereto form an integral part of the Cash Flow statement.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Hyderabad, Date : 06.12.2010

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

T. Venkateswara Rao
Director

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

Schedules forming part of the Consolidated Balance Sheet

Rs. in lakhs

Particulars		Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
Schedule 1: Share Capital				
Authorised				
110,000,000 (31.03.09: 60,000,000) Equity Shares of Rs.10/- each			**11,000.00**	6,000.00
Issued, Subscribed & Paid Up				
34,048,861 (31.03.09: 28,977,456) Equity Shares of Rs.10/- each		4 (a&b)	**3,404.89**	2,897.75
(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 lakhs from the Profit and Loss account)				
			3,404.89	2,897.75
Schedule 2: Reserves and Surplus				
Securities Premium Account		5		
At the Commencement of the Year			**18,007.80**	16,235.01
Add: Premium on Conversion of FCCB			**2,425.91**	2,967.04
Less: Premium on Redemption of FCCB			**1,125.12**	2,175.85
Add: Premium on Preferential Allotment of Equity Shares			**5,634.69**	—
Add: Premium on allotment of ESOS 2007			**—**	981.60
	(a)		**24,943.28**	18,007.80
General Reserve				
At the commencement of the year			**125.00**	—
Add: Transfer from Profit and Loss Account			**—**	125.00
	(b)		**125.00**	125.00
Profit and Loss Account			**18,350.75**	10,139.23
	(c)		**18,350.75**	10,139.23
	(a+b+c)		**43,419.03**	28,272.03
Schedule 3: Secured Loans				
Loans from Banks		6		
Term Loans			**24,387.23**	13,903.93
Working Capital Loans			**15,187.12**	11,832.06
Vehicle Loans			**—**	5.59
Other Loans				
Vehicle Loans			**22.69**	2.51
			39,597.04	25,744.09
Schedule 4: Unsecured Loans - Others				
Foreign Currency Convertible Bonds		7	**22,450.00**	29,217.61
			22,450.00	29,217.61

Schedules forming part of the Consolidated Balance Sheet

Schedule 5: Fixed Assets

Rs in Lakhs

Particulars	Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
	As At 01.04.09	Additions	Deletions / Adjustment	As At 31.03.10	As At 01.04.09	For the year	Deletions / Adjustment	As At 31.03.10	As At 31.03.10	As At 31.03.09
Tangible										
Land	41.92	—	—	41.92	—	—	—	—	41.92	41.92
Buildings	297.23	10.26	3.65	303.84	2.99	10.22	0.13	13.08	290.76	294.24
Plant And Machinery	7,172.48	43.42	92.93	7,122.97	434.20	526.87	92.93	868.14	6,254.83	6,738.28
Electrical Installation	380.83	18.36	—	399.19	22.67	29.18	—	51.85	347.34	358.16
Office Equipment	43.04	6.04	—	49.08	25.88	1.98	—	27.86	21.22	17.16
Furniture & Fixtures	262.56	46.91	0.36	309.11	157.26	26.60	0.36	183.50	125.61	105.30
Computers	4,970.48	6,405.57	328.34	11,047.71	1,355.97	1,345.03	223.46	2,477.54	8,570.17	3,614.51
Vehicles	151.02	29.41	6.49	173.94	74.84	11.18	1.05	84.97	88.97	76.18
Intangible										
Goodwill (Note 1)	19,607.82	721.83	—	20,329.65	—	—	—	—	20,329.65	19,607.82
Intellectual Property Rights	119.82	—	—	119.82	3.94	11.98	—	15.92	103.90	115.88
Software	17,290.73	1,087.15	758.66	17,619.22	1,747.96	2,887.50	662.91	3,972.55	13,646.67	15,542.77
Total	**50,337.93**	**8,368.95**	**1,190.43**	**57,516.45**	**3,825.71**	**4,850.54**	**980.84**	**7,695.41**	**49,821.04**	**46,512.22**
Capital Work in Progress	—	—	—	—	—	—	—	—	2,332.53	1716.69
Capital Advance	—	—	—	—	—	—	—	—	18,322.43	1427.69
Sub-Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**20,654.96**	**3144.38**
Grand Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**70,476.00**	**49,656.60**
Previous year	***26,585.53***	***23,862.46***	***110.06***	***50,337.93***	***914.04***	***2,920.79***	***9.12***	***3,825.71***	***49,656.60***	

Note : Refer Note 3(b) of Schedule 20

Schedules forming part of the Consolidated Balance Sheet

Rs. in lakhs

Particulars			Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
Schedule 6: Investments					
Investments-Unquoted					
Long Term investment (At cost Less Provision for Diminution in value)			1(b)		
Investment in Subsidiary-Trade					
	No. of Equity Share	Face Value			
— ROI Public Relations Pvt Ltd	31,250	INR 10		**3.13**	3.13
Less: Provision for diminution in Value of Investment				**(3.13)**	—
				—	3.13
Aggregate Book Value of Quoted Investments				**—**	—
Aggregate Book Value of Unquoted Investments				**—**	3.13
Schedule 7: Inventories					
Raw Materials			10		
Manufacturing				**458.44**	636.18
Export Software				**986.34**	534.48
Work in Process				**127.97**	27.43
Finished Goods				**397.63**	102.19
				1,970.38	1,300.28
Schedule 8: Sundry Debtors					
(Unsecured)					
Debts Outstanding for a period exceeding six months			9		
Considered good				**27,004.87**	1,113.88
Considered Doubtful				**234.04**	240.29
Less: Provision for Doubtful Debts				**(234.04)**	(240.29)
				27,004.87	1,113.88
Other Debts- Considered good				**44,627.34**	32,417.03
				71,632.21	33,530.91
Of the above:	Considered Good			**71,632.21**	33,530.91
	Considered Doubtful			**234.04**	240.29
Schedule 9: Cash and Bank Balances					
Cash in Hand				**6.03**	2.03
Cheques in Hand				**1.48**	7.97
Balances with Scheduled Banks					
Current Accounts				**600.95**	146.56
Dividend Accounts				**2.82**	—
Fixed Deposits*				**0.99**	1.99
Margin Deposits*				**465.25**	513.07
Balances with Non Scheduled Banks					
Current Accounts				**418.90**	710.64
* (Lodged with Banks against guarantees and Letter of Credit issued)				**1,496.42**	1,382.26

Schedules forming part of the Consolidated Balance Sheet

Rs. in lakhs

Particulars	Note Reference Schedule 21	As At 31.03.2010	As At 31.03.2009
Schedule 10: Loans and Advances (Unsecured)			
Loans & Advances to Subsidiaries		—	21.06
Advances recoverable in cash or in kind for value to be received			
— Supplies		**11,489.46**	16,541.21
— Others		**934.35**	4,402.24
— Deposits		**3,068.77**	639.81
Advance Tax and Tax Deducted at Source		**339.22**	32.36
Interest receivable		**29.70**	8.48
Prepaid Expenses		**525.26**	30.01
Balance with Customs & Excise Authorities		**0.43**	64.38
		16,387.19	21,739.55
Less: Provision for Doubtful Advances		**(14.08)**	(82.06)
		16,373.11	21,657.49
Of the above: Considered Good		**16,373.11**	21,657.49
Considered Doubtful		**1.41**	82.06
Schedule 11: Current Liabilities & Provisions			
A) Current Liabilities			
Sundry Creditors			
Due to Micro & Small Enterprises		—	—
Due to others			
— For Goods & Services		**31,559.73**	13,256.54
— For Capital Works		**1,246.97**	52.38
— Others		**3,158.54**	221.71
Other Liabilities		**161.92**	671.18
Advances from Customers		**517.93**	565.07
Unclaimed Dividend		**2.82**	—
Liability towards Investor Education and Protection Fund		—	—
		36,647.91	14,766.88
B) Provisions			
Proposed Dividend		**340.49**	301.66
Dividend Distribution Tax		**56.56**	51.27
Provision for premium payable on redemption of FCCBs		**3,554.05**	2,651.37
Provision for Taxation		**3,472.88**	1,465.56
Fringe Benefit Tax		**669.39**	661.65
Employee Benefits	17	**46.47**	18.59
		8,139.84	5,150.10
Schedule 12: Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Development Costs			
Balance at the commencement of the year		—	151.25
Additions during the year		—	25.05
		—	176.30
Less: Written off during the year		—	176.30
		—	—

Schedules forming part of the Consolidated Profit and Loss Account

Rs. in lakhs

Particulars		Note Reference Schedule 21	Year ended 31.03.2010	Year ended 31.03.2009
Schedule 13: Sales				
A) Export -Software				
Value Added			**23,395.10**	2,718.77
Self Developed			**17,468.33**	1,000.82
Sub Total			**40,863.43**	37,195.92
B) Manufacturing			**2,911.03**	964.59
C) Trading		8		
Software			**14,906.38**	3,849.49
Hardware			**20,852.58**	16,639.81
Sub Total			**35,758.96**	20,489.30
D) Services			**2,170.21**	150.12
Total			**81,703.63**	58,799.94
Schedule 14 : Other Income				
Interest on Deposits -Gross (Tax deducted at Source Rs. 4.38 lakhs (31.03.2009: Rs. 2.28 lakhs))			**40.88**	14.69
Foreign Exchange Fluctuation Income (Net)			**578.36**	—
Liabilities no longer required written back			**473.24**	—
Provision no longer required written back (net)			**164.05**	—
Miscellaneous income			**133.84**	249.48
			1,390.37	264.17
Schedule 15 : Cost of Goods Sold				
Raw Material Consumed				
Manufacturing				
Opening stock			**636.18**	139.45
Add: Purchases			**2,300.01**	1,293.85
Less: Closing stock			**458.44**	636.18
	(a)		**2,477.75**	797.12
Export Software				
Opening stock			**534.48**	1,090.28
Add: Purchases			**20,848.45**	19,219.60
Less: Closing stock			**986.35**	534.48
	(b)		**20,396.58**	19,775.40
Trading Purchases	(c)	8	**30,718.67**	15,629.71
Total	(a+b+c) A		**53,593.00**	36,202.23
(Increase)/Decrease in Stock				
Closing Stock				
Work-in-Process			**127.97**	27.43
Finished Goods			**397.63**	102.19
			525.60	129.62
Opening Stock				
Work-in-Process			**27.44**	0.09
Finished Goods			**102.19**	129.71
			129.63	129.80
Total	B		**(395.97)**	0.18
Total	A+B		**53,197.03**	36,202.41

Schedules forming part of the Consolidated Profit and Loss Account

Rs. in lakhs

Particulars	Note Reference Schedule 21	Year ended 31.03.2010	Year ended 31.03.2009
Schedule 16 : Manufacturing Expenses			
Factory Maintenance		**34.16**	13.09
Power & Fuel		**46.08**	21.34
Repairs & Maintenance		**—**	25.59
Sub- Contracting Charges		**500.71**	—
		580.95	60.02
Schedule 17 : Personnel Expenses			
Salaries, Wages & Bonus		**1,738.41**	2,488.63
Contribution to Provident Fund and other funds		**51.44**	20.94
Directors Remuneration	13	**128.65**	140.09
Staff Welfare Expenses including Employee Benefits		**69.11**	74.76
		1,987.61	2,724.42
Schedule 18: Administrative, Selling and Other Expenses			
Rent		**564.49**	527.04
Insurance		**251.13**	262.04
Rates & Taxes		**120.81**	91.74
Printing & Stationery		**109.53**	32.81
Communication Expenses		**62.17**	74.82
Travelling & Conveyance		**370.67**	639.00
Legal & Professional Fees		**658.80**	747.22
General Expenses		**290.66**	479.17
Bank Charges		**112.08**	18.69
Directors Sitting Fees	13	**1.30**	1.09
Auditor's Remuneration - Audit fee		**46.33**	35.00
Foreign Exchange Fluctuation Loss (Net)		**—**	306.87
Provision for Doubtful Debts/Advances /Deposits		**225.34**	322.35
Provision for diminution in value of investment		**3.13**	—
Fixed Assets Written off		**204.14**	—
Bad Debts/Advances Written Off (Net)		**31.51**	137.17
Loss on Sale of Asset (Net)		**2.44**	—
Repairs & Maintenance-Others		**57.28**	19.74
Freight Outwards		**5.90**	13.51
Prior Period Expenses		**—**	1,634.09
		3,117.71	5,342.35
Schedule 19 : Interest & Finance Expenses			
Interest on Term Loans		**2,110.60**	870.66
Interest on Working Capital Loans		**1,721.43**	651.91
Finance Charges		**543.37**	662.27
		4,375.40	2,184.84

SCHEDULE: 20 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, 2010.

   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 yearly average of exchange 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. 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. **Basis of preparation of financial statements.**

   a) The Consolidated Accounts have been prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles (Indian GAAP) and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 to the extent applicable.

   b) 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.

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.

c) 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.

d) Impairment of Assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

e) Investments

Long - Term Investments are stated at cost less diminution in the value of investments that is other than temporary.

f) Inventories

Inventories are valued at lower of cost and net realisable value. The method of arriving at cost of various categories of inventories is as below.

a)	Raw Materials	First in First Out Method
b)	Finished Goods and Work-In-Process	Direct Material cost plus appropriate overheads

g) Income Taxes

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred Tax assets and liabilities are measured using current applicable tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the period of enactment of the change.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty, as applicable, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

h) Employee Benefits

The estimated liability for employee benefits for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits" issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the employee benefits are as follows:

A. **Gratuity** - The Company has an obligation towards gratuity, a defined retiring plan covering all eligible employees. The plan provides for lump sum payment in accordance with the Payment of Gratuity Act, 1972 to vested employees on retirement, death while in employment or on separation. Vesting occurs on completion of five years of service. The liability is determined and charged to profit and loss account on the basis of valuation by independent actuary.

B. **Provident Fund** - This is a defined contribution plan of the Government of India under which both the employer and employee contribute monthly at a pre-determined rate (currently up to 12 % of employee salary) and the Company has no further obligation.

i) Revenue Recognition

A. Export Sales:

Revenue from Sale of Export Software is recognized upon transmission of software to customers through electronic data transfer, when significant risks and rewards relating to the ownership of products are transferred to the customers by Company.

B. Manufactured Sales:

Revenue from Sale of Manufactured Goods is recognized upon dispatch of goods to customer, when significant risks and rewards relating to ownership of products are transferred to the customers by the Company. Gross Sales are inclusive of Excise duty.

C. Trading Sales:

Revenue from Trading sales are recognized upon transmission of software to customer through electronic data transfer or by endorsement of bill of lading as the case may be, when significant risks and rewards relating to ownership of products are transferred to the customers by the company.

D. Service Income:

Annual Maintenance Contract and Service Income are recognized on a time proportion basis.

j) Foreign Currency Translation and foreign currency transactions

i. 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.

ii. Foreign Branch

Assets (other than Fixed Assets) and Liabilities of the foreign branch are translated into Indian Rupees at the exchange rate prevailing as at the Balance Sheet date. Fixed Assets are carried at the exchange rate prevailing on the date of transaction. Revenue and Expenses are translated into Indian Rupees at daily average rates.

iii. Other Foreign Currency transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are restated at the exchange rate on the date of the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost. Exchange differences on settlement or restatement are adjusted in the Profit and Loss account. Premium or discount on forward contracts is amortised over the life of such contract and is recognized as income or expense in the Profit and Loss account. Any profit or loss arising on cancellation or renewal or retirement of forward contract is recognized in Profit and Loss account.

k) Leases

The Company's significant leasing arrangements are in respect of operating leases for premises and equipments. The leasing arrangements range from 11 months to 5 years generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable and receivable are charged as rent or recognised as income, in the Profit and Loss Account.

l) Earnings Per Share

Basic earnings per equity share ("EPS") is calculated by dividing the Net Profit/ (Loss) after Tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share is computed by dividing the net profit or loss after tax 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.

m) Provisions and contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates 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. Contingent liabilities are not provided for but disclosed in the notes to the financial statements.

n) 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: 21

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%
ROI Public Relations Private Limited	India	62.5%

a) In respect of the following subsidiaries, the consolidation has been made on the basis of unaudited 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 there are no transactions in the company and provision has been made for diminution in the value of investment.

2. Contingent Liabilities

a) Claims against the Company not acknowledged as debts:

Letter of Credit and guarantees issued: Rs. in lakhs

Particulars	**As at 31.03.2010**	As at 31.03.2009
Letters of Credit	**—**	4,277.10
Counter Guarantees given to Bankers towards :		
— Bank Guarantees issued	**71.38**	298.85

b) Disputed Income Tax liability for which the Company preferred appeal aggregates to Rs. 225.16 (31.03.2009: Rs. 8.51 Lakhs)

3. Estimated amount of contracts remaining to be executed on capital account and not provided for 31st March, 2010: Rs.26,734.64 Lakhs (31.03.2009: Rs.80,000 Lakhs)

4. Share Capital

a) During the year, USD 60 Lakhs worth of FCCB have been converted into 2,378,340 equity shares of Rs. 10 each aggregating to Rs. 237.83 Lakhs at a premium of Rs. 102 per share aggregating to Rs. 2,425.91 Lakhs.

b) During the year, the Company has made Preferential allotment of 2,200,000 equity shares of Rs. 10 each at a premium of Rs. 222 per share fully paid belonging to the promoter and promoter group and 493,065 equity shares of Rs. 10 each at a premium of Rs.152.25 per share fully paid up. Increase in share capital as a result of the above, was Rs. 269.31 Lakhs and securities premium was Rs. 5,634.69 Lakhs.

c) During the year, the Company has issued 6,300,000 compulsory convertible warrants of Rs. 10 each at a premium of Rs. 222 per warrant belonging to the promoter and promoter group and 2,000,000 compulsory convertible warrants of Rs. 10 each at a premium of Rs. 152.25 per warrant which will be converted into equity shares at a later date before the expiry of 18 months from the date of issue in one or more tranches. The Company has received total amount aggregating to Rs.4,465.25 Lakhs, which represents 25% of total amount of the convertible warrants.

5. Reserves & Surplus

Securities Premium

a) Movement of security premium account is given below: Rs. in lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
Opening	**18,007.80**	16,235.01
Add: Premium on conversion of FCCB into equity shares:-		
USD 60 Lakhs FCCB and conversion premium thereon of Rs. 219.94 lakhs (equivalent to 5.40 Lakhs USD) converted into 2,378,340 Equity Shares (Previous year USD 75 Lakhs FCCB Converted into 2,282,332 Equity Shares) @ Rs. 112/-	**2,425.91**	2,967.04
Add: Premium on allotment under ESOS 2007	**—**	981.60
Add: Premium on allotment of 2,693,065 Preferential equity Shares (Refer note 4b above)	**5,634.69**	—
Sub Total	**26,068.40**	20,183.65
Less: Premium payable on redemption of FCCB	**1,125.12**	2,175.85
Closing	**24,943.28**	18,007.80

b) As stated in Significant Accounting Policies No. 3(n) of Schedule 20, 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. 5,305.05 Lakhs.

6. 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 fixed assets, present and future and pari passu second charge on all the current assets both present and future.
- The personal guarantees of certain promoters.

b) Amounts repayable within twelve months in respect of long term loans: Rs. 4,114.25 Lakhs (31st March 2009: Rs. 2,610.38 Lakhs)

II. Working Capital Loans

a) Working Capital loans availed from banks are secured by:

- First pari passu charge on all the movable 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 promoters

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. 7.52 Lakhs (31st March, 2009: Rs 5.92 Lakhs).

7. 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 2,378,341 (31.03.2009: 2,282,332) shares were allotted out of the FCCB-I consequent to conversion of balance 60 bonds (31.03.2009: 75 bonds) aggregating to US$ 6.0 Million (31.03.2009 US$ 7.50 Millions). The bonds in respect of FCCB II unless converted will be redeemed on 4th February, 2013. On conversion of 60 bonds of FCCB-I, the entire issue of 250 bonds aggregating to US$ 25 Millions now stand converted into equity shares.

FCCB-II PRICE RESET: Pursuant to the terms and conditions of FCCB-II, the FCCB-II Bonds conversion price has been reset from Rs.290 to Rs.232 on 6th July, 2009 and further to Rs. 191.25 on 4th January, 2010

Movement of Foreign Currency Convertible Bonds is given below:

Rs. in lakhs

Particulars	As at March 31, 2010			As at March 31, 2009		
	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total
Balance- At the commencement of the year	**3,130.46**	**26,087.15**	**29,217.61**	5,496.06	19,785.00	25,281.06
Add: FCCB raised during the year	—	—	—	—	—	—
Add: Foreign exchange Loss (net)	—	—	—	689.15	6,302.15	6,991.30
Less: Foreign exchange Gain (net)	**689.16**	**3,637.15**	**4,326.31**	—	—	—
Less: Converted into equity shares 60 Bonds (Previous Year 75 Bonds) of face value USD 100,000 each	**2,441.30**	—	**2,441.30**	3,054.75	—	3,054.75
Balance - At the end of the year	—	**22,450.00**	**22,450.00**	3,130.46	26,087.15	29,217.61

8. Sales:

Self Developed Software:

The Company has incurred development cost for the self developed software's and charged to the profit and loss accounts in the earlier years. No further development costs are incurred on the sale self developed software's during the year

Trading Sales and Purchases:

The trading sales and purchases include software sales of Rs.8,837.59 Lakhs and Rs.8,461.87 Lakhs recognized upon transmission of software to customer or by vendors through electronic form and significant risks and rewards relating to ownership of products are transferred to the customers or by the vendor. These sales and purchases are integral part of the project fulfilment process and are in the normal course business practice. The Customers and Vendors have confirmed the receipt / dispatch of goods/services and the balance outstanding as on 31 March 2010

9. Sundry Debtors:

Sundry Debtors outstanding for more than six months considered good for recovery by the Management is Rs. 27,004.88 Lakhs. Due to slowdown and recessionary conditions witnessed in the global market during 2009-10, the Company has to give extension in the payment terms to some of these export customers. These export customers are dealing with the Company for number of years and their dealings with the Company are satisfactory. Subsequent to the balance sheet date the Company has recovered Rs. 22,243.39 Lakhs and the balance debtors are recoverable and considered good, hence no provision for bad and doubtful debt is considered necessary

10. Inventories:

Closing Stock of Raw-Material- Export software stocks of Rs. 986.34 Lakhs is non-moving for more than nine months. These software stocks relate to common application software's, the Company has been implementing over the years. The Company is confident of selling this application software in the near future and no provision for slow and non-moving stocks is considered necessary.

11. Derivatives

Derivatives and unhedged foreign exchange exposures.

11.1 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, 2010**			As at March 31,2009		
			No of Contracts	**Foreign Currency (Lakhs)**	**Rs. (Lakhs)**	No of Contracts	Foreign Currency (Lakhs)	Rs. (Lakhs)
USD	INR	Buy				1	2	104.35

11.2 The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as follows:

	Particulars	**As at 31.03.10**		As at 31.03.09	
		US Dollar (lakhs)	**Rupee Equivalent (lakhs)**	US Dollar (lakhs)	Rupee Equivalent (lakhs)
A.	Amount Receivable on account of Export of Goods	**1,224.17**	**54,965.09**	300.66	15,686.84
	Other Receivables	**0.05**	**2.27**	—	—
B.	Amount Payable on account of Import of Goods & Services	**461.34**	**20,714.03**	165.47	8,633.07
	Capital Imports	**11.16**	**500.91**	21.44	1,112.39
	Foreign Currency Convertible Bonds	**500.00**	**22,450.00**	560.00	29,217.61
	Other Payables	**72.62**	**3,260.58**	104.75	5,465.37

12. Related Party Disclosures

12.1 Related Parties and Nature of Relationship

12.1.1 List of Related Parties

Subsidiary

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

12.1.2 Key Management Personnel

Mr. Sudhir Rao - Managing Director

Mr. T Venkateswara Rao -Director*

Mr. S. T. Prasad -Director *

*Mr. T Venkateswara Rao and Mr. S.T Prasad are non-executive directors w.e.f. 30.01.2010

12.2 Related Party Transactions

Rs. in lakhs

Transactions	Subsidiary		Key Management Personnel and their relatives	
	2009-10	**2008-09**	**2009-10**	**2008-09**
Advace given	**21.20**	21.06	—	—
Investment in Equity Shares	—	3.13	—	—
Balances Outstanding Advances & Receivables	—	21.06	—	—
Provision for Diminution in the value of investment	**3.13**	—	—	—
Advances written off	**42.26**	—	—	—
Remuneration Paid to key management personnel			**128.87**	140.22
Sudhir Rao	—	—	**82.18**	82.18
S T Prasad	—	—	**26.66**	34.00
T Venkateswara Rao	—	—	**20.03**	24.04

13. Managerial Remuneration

Rs. in lakhs

Particulars	2009-10	2008-09
Salaries & Allowances	**128.65**	140.09
Contribution to Provident Fund	**0.22**	0.13
Directors' Sitting Fees	**1.30**	1.09
Total	**130.17**	141.31

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

14. Segment Reporting

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

15.2 Information relating to Secondary Segment based on geographical location

Rs. in Lakhs

Particulars	2009-10	2008-09
Segment Revenue		
— Within India	**3,814.04**	10,666.52
— Outside India	**77,889.59**	48,133.42
Total Revenue	**81,703.63**	58,799.94
Segment Assets		
— Within India	**12,831.13**	5,356.58
— Outside India	**78,640.99**	52,514.36
Total Assets	**91,472.12**	57,870.94
Segment Liabilities		
— Within India	**14,361.12**	462.95
— Outside India	**30,426.63**	19,454.03
Total Liabilities	**44,787.75**	19,916.98
Capital Expenditure		
— Within India	**7,492.40**	14,621.99
— Outside India	**876.55**	356.00
Total Capital Expenditure	**8,368.95**	14,977.99

15. Composition of Deferred Tax Liability

Rs. in Lakhs

Particulars	As at 31.03.2009	Movement during the year	As at 31.03.2010
Deferred Tax Liability :			
Relating to Fixed Assets	1,607.16	2,333.85	3,941.01
Total	1,607.16	2,333.85	3,941.01
Deferred Tax Assets:			
Provision for Doubtful Debts/ Advances/ Deposits	109.57	(4.71)	104.86
Disallowances under Section 43B	15.38	(3.39)	11.99
Total	124.95	(8.10)	116.85
Net Deferred Tax Liability	1,482.21	2341.95	3,824.16

Note: Based on expert opinion the deferred tax expense has been recognized using current applicable effective tax rate being Minimum Alternate Tax (MAT) rate

16. Earnings Per Share

		2009-10	2008-09
Profit after Taxation (Rs. in Lakhs)		**10,512.40**	2064.72
Weighted average no. of equity shares outstanding		**30,643,757**	28,307,253
Add: Dilutive effect of potential shares out of Stock Options/ FCCB etc., outstanding		**12,456,757**	2,630,217
Weighted average number of equity shares	- Basic	**30,643,757**	28,307,253
	- Diluted	**43,100,514**	30,937,470
Earnings per share on profit/(loss) after taxation (Face Value: Rs. 10/ each) - Rs.			
	- Basic	**34.31**	7.29
	- Diluted	**24.39**	*6.67

*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.

17. Disclosures as required under Accounting Standard AS-15

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

Gratuity Plan (Unfunded)

17.1.1 Components of Employer Expense Rs. in Lakhs

Particulars	2009-10	2008-09
Current Service Cost	**4.62**	1.42
Interest Cost	**1.11**	1.87
Actuarial Losses/(Gains)	**27.48**	(6.83)
Total expense recognised in the Statement of Profit & Loss Account	**33.21**	(3.54)

17.1.2 Change in Defined Benefit Obligations (DBO) Rs. in Lakhs

Particulars	2009-10	2008-09
Present Value of DBO at Beginning of Year	**18.59**	13.96
Unrecognised past service cost (transitional provision adjusted)	**—**	9.38
Current Service Cost	**4.62**	1.42
Interest Cost	**1.11**	1.87
Actuarial (Gains)/Losses	**27.48**	(6.83)
Benefits Paid	**(5.33)**	(1.21)
Present Value of DBO at the End of Year	**46.47**	18.59

17.1.3 Actuarial Assumptions

Discount Rate: 6% (2008-09- 8%)

Attrition Rate 8% (2008-09-10%)

Salary Escalation Rate: 10% (2008-09-10%)

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

18. 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.

19. Foreign Currency Translation

Foreign subsidiaries being integral operations, the foreign currency translation gain of Rs. Nil (31.03.2009 loss of Rs.5,280.81 lakhs) arising on consolidation is recognized as Foreign Currency Translation loss/Gain and charged/credited to the profit and loss account.

20. Adjustment represents the difference in the net profit after tax between the management accounts of the current year and the previous year relating to subsidiaries to the extent of Rs.1,903.83 lakhs (31.03.09: Rs Nil). Had this amount been accounted as current year expenditure the profit after tax would have been lower by Rs 1,903.83 lakhs (31.03.09: Rs Nil). The basic and diluted earnings per share would be lower by Rs 6.21 and Rs 4.42 respectively.

21. 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 5 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. 564.49 Lakhs (2008 09: Rs.527.04 Lakhs).

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
Director

Place : Hyderabad
Date : 06.12.2010

B. Somasekhara Rao
Vice President (F&A) & Company Secretary

SUBSIDIARY COMPANIES AUDITED FINANCIAL ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder's of

Bartronics America Inc.

We have audited the accompanying balance sheet of Bartronics America Inc, (a Delaware Corporation) as of December 31, 2009 and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bartronics America Inc., as on December 31, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

RAM ASSOCIATES

Hamilton, NJ
November 12, 2010

Balance Sheet

December 31, 2009

ASSETS

Current Assets		
Cash	$	906,261
Accounts receivable (net of allowances of $ 423,268)		3,619,170
Unbilled receivable		165,010
Prepaid expenses		87,067
Employee advances		62,685
Total current assets		4,840,193
Inter-Company receivable		1,995,169
Property and equipment - net		816,276
Goodwill		33,365,905
Intangible assets		17,192,217
Deferred tax assets		206,341
Other advances		551,742
Security deposit		56,577
TOTAL ASSETS	$	59,024,420

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities:		
Accounts payable and accrued expenses	$	3,568,482
Payroll liabilities		1,422,257
Other current liabilities		573,607
Short-term loan payables		1,582,000
Corporate taxes payable		22,876
Total current liabilities		7,169,222
Due to holding company		48,752,556
Stockholders equity:		
Common stock-$1 par value, 1500 shares authorized,		
issued and outstanding		1500
Other comprehensive income		53,993
Retained earnings		3,047,149
Total stockholders equity		3,102,642
TOTAL LIABILITIES AND STOCK HOLDERS EQUITY	$	59,024,420

For and on behalf of the Board

	A. B. S. Reddy	**T.Venkateswara Rao**
Hyderabad, 12th November, 2010	Director	Director

Statement of Operations

For the year ended December 31, 2009

Net revenue	$	**23,911,021**
Cost of revenue		20,007,306
Gross profit		3,903,715
Operating expenses:		
Selling, general and administrative expenses		5,653,756
Operating loss before other income/ (expenses)		(1,750,041)
Depreciation		(207,249)
Interest expense		(3,173)
Other income		123,348
Loss before income tax benefits		(1,837,115)
Income tax benefits		275,677
Net loss	$	**(1,561,438)**

For and on behalf of the Board

A. B. S. Reddy
Director

T.Venkateswara Rao
Director

Hyderabad, 12th November, 2010

Statement of Changes in Stockholder's Equity
For the Year Endeed Decmber 31, 2009

Common Stock

	Number of Shares	Amount	Retained earnings	Other Comprehensive Income	Total Stockholder's equity
Balance at December 31, 2008	1,500	$ 1,500	$ 3,620,356	$ —	$ 3,621,856
Prior period adjustment		—	822,783	—	822,783
Other comprehensive income		—	—	219,441	219,441
Net Loss		—	(1,561,438)	—	(1,561,438)
Balance at December 31, 2009	1,500	$ 1,500	$ 2,881,701	$ 219,441	$ 3,102,642

Statement of Cash Flows
For the year ended December 31, 2009

Cash flows from operating activities		
Net Loss	$	1561438
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation		207249
Provision for doubtful debts		166742
Other comprehensive income		219441
Prior period adjustment		822783
Changes in assets and liabilities		
(Increase)/Decrease in accounts receivable		-937136
(Increase)/Decrease in unbilled receivable		1834822
(Increase)/Decrease in prepaid expenses		-58477
(Increase)/Decrease in employee advance		55312
(Increase)/Decrease in deferred tax assets		-275677
(Increase)/Decrease in security deposits		32589
(Increase)/Decrease in accounts payable and accrued expenses		1910078
(Increase)/Decrease in payroll liabilities		-571965
(Increase)/Decrease in other current liabilities		238793
(Increase)/Decrease in corporate taxes payable		-64132
Total adjustments		2164207
Net cash provided by operating activities:		2018984
Cash Flows from investing activities		
Purchase of fixed assets		-330001
Decrease in investment		433091
Increase in intangible assets		-1511864
Increase in other advances		-467542
Increase in inter-company receivable		-1541066
Net cash used in investing activities		-3417382
Cash flows from financing activities:		
Increase in short term loan payable		1582000
Decrease in intercompany accounts		1063896
Decrease in due to holding company		-1946069
Increase in deferred taxl liabilities		25657
Net cash provided by financing activities		725484
Net decrease in cash		-672914
Cash at the beginning of the year		1579175
Cash at the end of the year	**$**	**906261**

Supplementary disclosure of cash flows information

Cash paid during the year for:

Interest	$	3173
Income taxes		—

Notes to Financial Statements
December 31, 2009

1. Nature of Business

Organization

Bartonics America Inc. ("the Company") was incorporated in the state of Delaware in 1999 and commenced its operations during that year. The Company has headquartered in Iselin, New Jersey, is a leading multinational organization that has successfully served the information technology, ("IT") market place for over ten years. Since its inception, the Company has gained vast experience in providing quality IT solutions to its customers on time and cost effectively.

Leveraging on the excellency if its managing team, the Company is strategically building the various practices to deliver end to end solutions in the areas of Business Analysis, Software Development, Project Analysis and Management, Data Warehousing and SAP implementation and a global systems integrator of proven, practical data collection solutions, provides a full range of emerging technology systems that focus on enabling increased operational efficiency and overall visibility. For this Age of Visibility BART-RONICS, manufactures and markets Radio Frequency Identification, ("RFID") products and solutions that opens the door to a New Realm of Business Intelligence.

The Company enables its clients to move beyond basic pallet, case and item level tracking to provide a meaningful, actionable insight into employee productivity, guest experience enhancement customer service, asset and inventory management, distribution, sales and multitude of other business critical activities.

2. Summary of Significant Accounting Policies

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

Accounting estimates

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that ate inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

Management periodically evaluates estimate used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

Revenue recognition

The Company recognizes revenue in accordance with the SEC's Staff Accounting Bulletin topic 13 ("Topic 13"), "Revenue Recognition". Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the seller's price to buyer is fixed and determinable, and (4) collectability is reasonably assured.

Revenues are primarily derived from professional services under time and material contracts, which are recognized in the period in which services are provided.

Revenue related to services performed without a signed agreement or work order are not recognized until there is evidence of an arrangement, such as when agreements or work orders are signed or payment is received; however, the cost related to the performance of such work is recognized in the period the services are rendered.

Unbilled accounts receivable represents amounts recognized as revenue based on services performed in advance of customer billings. At December 31, 2009, the Company has unbilled accounts of $165,010.

The Company accounts for reimbursements of out-of -pocket expenses as revenues.

Revenues related to fixed price contracts for professional services are recognized using a model that is similar to the proportional performance method. Anticipated losses are recognized when they become known. Revisions in estimated profits are made in the month in which the circumstances requiring the revision become known. There were no fixed price contracts for the year ended December 31, 2009.

Cash and cash equivalents

The Company considers all highly-liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents. The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk.

Account receivable

The Company extends credit to clients based upon management's assessment of their credit-worthiness on an unsecured basis. The Company provides an allowance for uncollectible accounts based on historical experience and management evaluation of trend analysis. The allowances for uncollectible accounts as of December 31, 2009 were $ 423,268.

Foreign Currency Translation

The functional currency of the Company is US Dollar, and that of other Inter-Company in India is in Indian Rupee. The accompanying financial statements are reported in US Dollar. The translation of Indian Rupees into US Dollar is performed for balance sheet accounts using exchange rates as of the balance sheet date December 31, 2009. Any translation gain or loss is shown as other comprehensive income on balance sheet.

Fixed Assets

Fixed assets are stated at cost, net of accumulated amortization and depreciation. Leasehold improvements are amortized on a straight-line basis over the lesser of the estimated useful life of the asset or the term of the lease. Furniture and equipment are depreciated on a straight-line basis over the useful lives of the assets as follows:

Computers and purchased software	3-5 years
Furniture and equipment	5-7 years
Vehicle	7 years

The Company charges repairs and maintenance costs that do not extend the lives of the assets to expenses as incurred.

Fixed assets consist of the following:

Computer	$	341,134
Vehicle		11,242
Office equipment		365,488
Office furniture		148,173
Software		515,894
Leasehold improvements		53,675
Total		**1,435,606**
Less: Accumulated depreciation		619,330
Property and equipment, net	**$**	**816,276**

The depreciation expense for the year ended December 31, 2009 was $ 207,249

Income taxes

Income taxes have been provided for using an assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available evidence, it is not "more-likely-than-not" that a portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rate and laws.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Intangible Assets

The Company periodically reviews the carrying value of intangible assets not subject to amortization, including goodwill, to determine whether impairment may exist. Financial accounting Board ("FASB") Statement of Financial Accounting Standards No. 142, Goodwill and other intangible assets be assessed annually for impairment using fair value measurement techniques.

a) Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired through acquisition. Goodwill is not amortized and is evaluated on an annual basis, or sooner if deemed necessary, in connection with other long-lived assets, for potential impairment. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Company's evaluation completed during the year ended December 31, 2009 resulted in no impairment to the value of recorded goodwill. Goodwill valued as on December 31, 2009 was $33,365,905.

b) Patents

The Company owns several patents for Radio Frequency Identification ("RFID") Wristbands and provides RFID solutions for Leisure and Entertainment, Warehouse Management, Manufacturing and Asset Management and has different life time to amortize. The Company also provides contract manufacturing for Smart Cards and RFID tags and has a strategic Global Presence in the United States of America, Singapore, Caribbean and India with six offices and two Global Delivery Centers.

The Company has capitalized all patent acquisition expenses and subsequent expenses incurred to upgrade and maintain the patents. No amortization expenses were recorded for the year ended December 31, 2009. The Company will start recording amortization expense when the patent assets are put to use.

3. Credit and Business Concentration

The Company's financial instruments that are exposed to concentration of credit risks consist primarily of cash and accounts receivable. The Company maintains its cash in bank accounts, which, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to significant credit risk on cash. Concentration of credit risks with respect to accounts receivable are limited because the credit worthiness of the Company's major customers. Revenue from the Company's major customers accounted for $2,667,707 for the year ended December 31, 2009 (10% of revenue) and $ 379,716 of account receivable from the same major customers as of December 31, 2009 (9% of the net receivable).

4. Fair value of Financial Instruments

The Company's financial instruments, including cash, accounts receivable, short-term borrowings and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments. The fair value of long-term borrowings are estimated based on current interest rates available to the Company for debt instruments with similar terms, degrees of risk, and remaining maturities. The carrying value of these obligations approximates their fair values.

5. Inter Company Receivables

The Company has loan recoverable from other group Companies. Balance recoverable as of December 31, 2009 was $1,995,169.

6. Short Term Loan Payables

The Company has short-term loan payables to others. Loan payable as of December 31, 2009 was $1,582,000. This short-term loan was paid in full in year 2010.

7. Due to holding Company

The Company has $ 48,752,556 loan payable to holding (Parent) Company as of December 31, 2009.

The Company will start repaying loan after 2015 and interest at prevailing rate will be provided from 2011. No interest expense has been accrued for year December 31, 2009.

8. Elimination

The Company does business with several other inter-companies.

While preparing these financial statements, all inter-company transactions are eliminated. Sales from the inter-company are eliminated from cost of sales and other operating expenses for the year ended December 31, 2009.

9. Commitments and Contingencies

Leases

The Company leases office facilities in New Jersey and California under a non-cancelable operating lease expiring through January, 2011 and December, 2011 respectively. The Company leases guest houses in New Jersey and California expiring in the year 2011. The Compamy has a vehicle lease which will expire in November 2011.

Future minimum rental payments under these operating leases covering office facilities, guest houses and vehicle as of December 31, 2009 are as follows:

Year ended December 31,

2010	$ 285,816
2011	67,181
Total minimum lease payments	$ 352,997

Total rent expense for all leases were $ 465,792 for the year ended December 31, 2009.

10. Recent Accounting Pronouncements

a) In February 2008, the FASB issued Staff Position (FSP) No. 157-2 which delays the effective date of SFAS No. 157 one year for all nonfinancial assets and nonfinancial liabilities, except those recognized or disclosed at fair value in the financial statements on a recurring basis. FSP 157-2 is effective beginning January 1, 2009.

b) In May, 2009, the FASB issued authoritative guidance establishing principles and requirements for recognition and disclosure of subsequent events in the financial statements. The Company's adoption of this guidance on June 30, 2009 did not have a material effect on Company's financial operations.

c) In June 2009, the FASB issued authoritative guidance, "The FASB Accounting Standards codification and hierarchy of Generally Accepted Accounting Principle-a replacement of FASB statement No. 162" (the "Codification").

The Codification does not alter current U.S. GAAP, but rather integrates existing accounting standards with other authoritative guidance. Under the codification, there is a single source of authoritative U.S. GAAP for nongovernmental entities and it supersedes all other previously issued non-SEC accounting and reporting guidance. The codification is effective for financial statement periods ending after September 15, 2009. Company's adoption of codification on July 2009, did not have a material effect on Company's financial condition or result of operations.

d) In July 2006, the FASB issued FASB Interpretation No. 48 ("FIN 48"). "Accounting for Uncertainty in Income Taxes". FIN 48 prescribes detail guidance for the financial statements recognition, measurement and disclosure of certain tax positions recognized in an enterprise's financial statements in accordance with FASB statement no. 109, "Accounting for Income Taxes". Tax Positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. FIN 48 is effective for fiscal years beginning after December 1, 2006, and the provisions of FIN 48 are applied to all tax positions upon initial adoption of the Interpretation. The cumulative effect of applying the provisions of this Interpretation are reported as an adjustment to the opening balance of retained earnings for each fiscal year. The effect of FIN 48 will not have any significant effects on the Company's financial statements.

BARTRONICS ASIA PTE LTD
Reg No. 200710613N

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of Bartronics Asia Pte Ltd (the "Company) for the financial year ended 31 March 2010.

1 DIRECTORS

The directors of the Company in office at the date of this report are :

Avula Balliahgari Satyavas Reddy
Mahalingam Venkata Ramani

2 ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisitions of shares or debentures of the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The following director who held office at the end of the financial year had, according to the register of director's shareholdings required to be kept under Section 164 of the Singapore Companies Act, interests in the shares of the holding company as stated below:

	No. of ordinary shares	
Name of directors	**At beginning of the year**	**At end of the year**
Holding Company		
Bartronics India Limited		
Avula Balliahgari Satyavas Reddy	3,519,368	3,519,368

By virtue of Section 7 of the Companies Act, the directors above are deemed to have an interest in shares held by Bartronics India Limited in the Company at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, either at the beginning or at the end of the financial year.

4 DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

5 AUDITORS

Parker Randall has expressed their willingness to accept re-appointment as auditors.

Avula Balliahgari Satyavas Reddy
Director

Mahalingam Venkata Ramani
Director

Singapore, Date : 15th September, 2010

STATEMENT BY DIRECTORS

In our opinion:

(a) the accompanying statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of the results, changes in equity and cash flows of the Company for the year then ended, and

(b) as the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as nad when they fall due.

Avula Balliahgari Satyavas Reddy
Director

Mahalingam Venkata Ramani
Director

Singapore
Date : 15th September, 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARTRONICS ASIA PTE LTD

We have audited the accompanying financial statements of Bartronics Asia Pte Ltd (the "Company") which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

b) selecting and applying appropriate accounting policies; and

c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements bases on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(a) The financial statements are property drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PARKER RANDALL
Public Accountants and
Certified Public Accountants

Singapore
15 September 2010

STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2010

	Note	2010 US$	2009 US$
REVENUE			
Sales of goods		**13,486,853**	7,800,456
Other income	4	**13,499**	2,508
Total revenue		**13,500,352**	7,802,964
COSTS AND EXPENSES			
Purchases		**12,117,499**	6,255,423
Staff Costs	5	**318,682**	304,573
Depreciation	8	**45,069**	41,066
Foreign currency exchange loss		**—**	27,165
Other operating expenses		**478,889**	382,773
Total Costs and expenses		**12,960,139**	7,011,000
PROFIT BEFORE TAX	6	**540,213**	791,964
INCOME TAX EXPENSES	7(a)	**(72,873)**	(58,176)
PROFIT FOR THE YEAR		**467,340**	733,788
OTHER COMPREHENSIVE INCOME		**—**	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**467,340**	**733,788**

For and on behalf of the Board

Avula Balliahgari Satyavas Reddy
Director

Mahalingam Venkata Ramani
Director

Singapore, Date : 15th September, 2010

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Note	2010 US$	2009 US$
ASSETS			
Non-current assets			
Plant and equipment	8	**62,016**	106,171
Investment in subsidiary	9	**1**	1
Deferred expenditures		**—**	41,599
		62,017	106,172
Current Assets			
Trade and other receivables	10	**5,838,682**	22,157,186
Cash at bank		**7,228**	5,079
		25,845,910	22,162,265
Total Assets		**25,907,927**	22,310,036
LIABILITIES			
Current liabilities			
Trade and other payables	11	**3,156,160**	98,482
Income tax payable	7(c)	**131,049**	58,176
		3,287,209	156,658
Non-current liabilities			
Loan from holding company	12	**21,097,042**	21,097,042
Total Liabilities		**24,384,251**	21,253,700
Net assets		**1,523,676**	1,056,336
EQUITY			
Share capital	13	**500,000**	500,000
Accumulated profits		**1,023,686**	556,336
Total Equity		**1,523,676**	1,056,336

For and on behalf of the Board

Avula Balliahgari Satyavas Reddy
Director

Mahalingam Venkata Ramani
Director

Singapore, Date : 15th September, 2010

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

	Share Capital $	Accumulated profits $	Total equity $
2010			
Balance at beginning of year	500,000	556,336	1,056,336
Total comprehensive income for the year	—	467,340	467,340
Balance at end of year	500,000	1,023,676	1,523,676
2009			
Balance at beginning of year	500,000	(177,452)	322,548
Total comprehensive income for the year	—	733,788	733,788
Balance at end of year	500,000	556,336	1,056,336

The accompanying notes form an integral part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 US$	2009 US$
CASH FLOW FROM OPERATING ACTIVITES			
Profit before tax		**540,213**	791,964
Adjustment for:			
Deferred expenditure	8	**45,069**	41,066
Deferred expenditure		**41,599**	(21,599)
Operating profit before working capital changes		**626,881**	811,431
Changes in working capital:			
Trade and other receivables		**(3,680,818)**	(954,449)
Prepayments		**(678)**	—
Trade and other payables		**3,057,678**	70,955
Net cash from/(used in) operating activities		**3,063**	(72,063)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(914)**	(50,493)
Net cash used in investing activities		**(914)**	(50,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		—	123,895
Net cash from financing activities		**—**	123,895
Net increase in cash at bank		**2,149**	1,339
Cash at bank at beginning of year		**5,079**	3,740
Cash at bank at end year		**7,228**	5,079

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2010

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Management on15 September 2010.

1) DOMICILE AND ACTIVITIES

Bartronics Asia Pte Ltd is a private limited liability company incorporate in Singapore . The address of the company's registered office is at No.78 Shenton Way,#08-01A Lippo Centre, Singapore 079120.

The company is primarily involved in general wholesale including general import and export and investment holding.

The immediate and ultimate holding company during the financial year 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) BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the significant accounting Polices in Note 3.

(c) Functional and presentation currency

These financial statements are presented in United States dollars, which is the Company's functional currency. All financial information presented in United States dollars has been rounded to the nearest dollar, unless otherwise stated.

(d) Significant estimates, assumptions and judgment

The preparation of financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of policies and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities.

The financial statements for the year ended 31 March 2010 do not include any significant estimates, assumptions and judgments that have significant risk of resulting in a material adjustment within the next financial year.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by company

(a) Financial instruments

Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred finical assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the Statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The company has the following non-derivative financial assets: loans and receivables (including cash and cash equivalents).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that is not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and receivables.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and from an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the company has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade and other payables and loan from holding company.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, theses financial liabilities are measured at amortised cost using the effective interest method.

Share Capital

Ordinary shares

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.

(b) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges o foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

Gains and losses on disposal an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net within other income in profit or loss.

Subsequent costs

The cost of replacing a part 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 flow to the company, and its cost can be measure reliably. The carrying amount of the replaced par t is derecognized. The costs of he day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative period are as follows:

	No. of Years
● Furniture, fittings and renovation -	5 years
● Computer and office equipment -	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Deferred expenditure

Amount includes product development costs to be taken to income statement once the Company starts generating revenue with regards to this product.

(d) Impairment

Financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, land that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the company would not consider otherwise or an indication that a debtor will enter bankruptcy.

The company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables and with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less that suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables.. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized are allocated to reduce the carrying amounts of the non-financial assets.

(e) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plat under which an entity pays fined contributions to Central Provident fund (CPF) and will have not legal or constructive obligation to pay further amounts. Obligations for contributions to CPF are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employee leave entitlement

Employee entitlements to annual leave are recognised 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 statement of financial position date.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present level or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(f) Revenue

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that 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. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale. For sales, usually transfer occurs when the product is received at the customer's warehouse; however, for some international shipments transfer occurs upon loading the goods onto the relevant carrier at the port of the seller. Generally for such products the buyer has no right to return.

(g) Government grants

Jobs credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognized as income upon receipt.

(h) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss 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 in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

(i) New FRS and interpretations not yet adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the year ended 31 March 2010 have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS- 31 MARCH 2010

4) OTHER INCOME

	2010 US$	2009 US$
Interest on bank deposits	**131**	—
Childcare leave encashment	**790**	—
Jobs Credit Scheme	**10,561**	—
Foreign currency exchange gain	**2,017**	—
Hotel accommodation - recovered	**—**	85
Advertisement cost - recovered	**—**	2,005
Administration cost- recovered	**—**	418
	13,499	2,508

5) STAFF COSTS

Staff costs:		
-Salaries and bonuses	**295,586**	284,361
-CPF contributions	**21,736**	18,653
-Directors' fees	**—**	1,559
-Directors'remuneration	**1,360**	—
	318,682	304,573

6) PROFIT BEFORE TAX

Profit before tax is arrived at after:		
Charging:		
Auditor's remuneration	**3,100**	1,645
Depreciation	**45,069**	41,066
Staff costs	**318,682**	304,573
CPF contributions (included in staff costs)	**21,736**	18,653
Rental paid	**324,849**	235,573
Directors' fees (included in staff costs)	**—**	1,559
Directors' remuneration (included in staff costs)	**1,360**	—

7) INCOME TAX

a) Income tax expense

Income tax expense attributable to profit is made up of:		
Current Year's income tax provision	**73,688**	58,176

b) Reconciliation of effective tax rate

Profit before tax	**545,002**	791,964
Income tax expense using the corporate tax rate of 17% (2009 : 17%)	**92,650**	134,634
Expenses not deductible for tax purposes	**7,662**	7,247
Capital allowance	**(8,461)**	(13,474)
Statutory exemption	**(18,529)**	(70,231)
Others	**366**	—
Income tax expense	**73,688**	58,176

c) Movements in income tax payable

Balance at beginning of year	**58,176**	—
Current year's income tax provision	**73,688**	58,176
Balance at end of year	**131,864**	58,176

8) PLANT AND EQUIPMENT

	Furniture, fittings and renovation US $	Computer and office equipment US $	Total US $
2010			
Cost			
At beginning of year	134,426	42,544	176,970
Additions	—	914	914
At end of year	134,426	43,458	177,884
Accumulated depreciation			
At beginning of year	45,525	25,274	70,799
Change for the year	26,885	18,184	45,069
At end of year	72,410	43,458	115,868
Net Book Value			
At end of year	62,016	—	62,016
2009			
Cost			
At beginning of year	93,198	33,279	126,477
Additions	41,228	9,265	50,493
At end of year	134,426	42,544	176,970
Accumulated depreciation			
At beginning of year	18,640	11,093	29,733
Change for the year	26,885	14,181	41,066
At end of year	45,525	25,274	70,799
Net Book Value			
At end of year	88,901	17,270	106,171

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

9) INVESTMENT IN SUBSIDIARY

	2010 US$	2009 US$
Unquoted equity shares, at cost	**1**	1

The Company holds 100% equity of Bartronics Hong Kong Limited, incorporated in Hong Kong.

The principal activities of the subsidiary are those relating to the trading of barcode equipment.

Bartronics Asia Pte. Ltd has, in accordance with Financial Reporting standards (FRS) 27, paragraph10, elected to present company only financial statements as their ultimate holding company, Bartronics India Limited, which is incorporated in India produces consolidated financial statements that are available for public use.

10) TRADE AND OTHER RECEIVABLES

	2010 US$	2009 US$
Trade receivables	**10,667,892**	22,063,406
Advance to suppliers	**15,095,573**	150
Goods and services tax receivables	**2,694**	9,199
Deposits	**72,523**	84,431
	25,838,682	22,157,186

Trade and other receivables

Trade and other receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognized at their original invoice amounts which represents their fair value on initial recognition.

Receivables beyond credit period are considered past due and are analysed to determine whether allowance for doubtful debts or write off will be made based on past default experience and financial ability of the debtor.

Outstanding receivables as at 31 March 2010 are all within credit period and considered recoverable as there is no change in credit quality of the receivables from the date credit was initially granted up to the end of reporting period.

The carrying amounts of trade and other receivables approximate their fair values.

11) TRADE AND OTHER PAYABLES

	2010 US$	2009 US$
Trade payables	**3,130,181**	76,994
Accrued expenses	**25,979**	21,488
	3,156,160	98,482

Trade and other payables

Trade and other payables are non-interest bearing and are generally on 30 to 90 days terms. They are recognized at their original invoice amounts which represents their fair value on initial recognition.

The carrying amounts of trade and other payables approximate their fair values.

12) LOAN FROM HOLDING COMPANY

Loan from Holding Company is unsecured, interest-free payable on demand. The Company does not foresee the amount being paid within the next twelve months.

The fair value of non-current loan from holding company, determined from the cash flow analyses discounted at market rate of an equivalent instruments at the statement of financial position date which the directors expect to be available to the Company is US$21,097,042.

13) SHARE CAPITAL

	2010 US$	2009 US$
Issued and fully paid: **(500,000 ordinary shares, no par value)**		
Balance at beginning and at end of financial year	**500,000**	500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

14) COMMITMENTS

OPERATING LEASE COMMITMENTS

The Company has entered into operating lease for rental of office premises. At the statement of financial position date, the Company was committed to making the following payment in respect of the lease.

	2010 US$	2009 US$
Payable within one year	**301,290**	308,266
After one year but not later than five years	**—**	160,177
	301,290	468,443

15) FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGERMENT AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following tables set out the financials instruments as at the end of financial year:

	2010 US$	2009 US$
Financial Assets		
Loans and receivables (including cash and cash equivalents)		
Trade and Other receivables	**25,838,682**	22,157,186
Cash at bank	**7,228**	5,079
	25,845,910	22,162,265
Financial Liabilities		
At amortised cost		
Trade and other Payables	**3,156,160**	98,482
Loan from holding Company	**21,097,042**	21,097,042
	24,253,202	21,195,524

(b) Financial risk management objectives and policies

The Management reviews and agrees policies for managing the financial risks of the Company. Each of these risks are summarised below:

Interest rate risk

The Company has minimal exposure to any changes in market interest rates.

Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company does not use foreign currency forward exchange contracts in managing its foreign currency risk.

If the Singapore dollar (SGD) strengthened/weakened by an average of 10% (2009: 10%) during the year against the United States dollar and Malaysia Ringgit with all other variables being held constant. The Company's loss before tax and equity will be approximately $ 3,183 (2009: $1,079) higher/lower.

Credit Risk

Credit risk or the risk of counter parties defaulting is managed through the application of credit approvals, credit limits and debt monitoring procedures. Where appropriate, the Company obtains guarantees from the customers or arrange netting agreements. Cash terms, advance payments, and letters of credit are required for customers of lower credit standing.

The carrying amount of the financial assets represents the Company's maximum exposure to credit risk.

The Company's credit risk exposure is on the carrying amount of receivables. The Company has no significant concentration of credit risk on single debtor or group of debtors.

Further details of credit risk on trade and other receivables are disclosed on Note 10.

Fair Values

The carrying amounts of trade and other receivables, cash at bank and trade and other payables recorded at statement of financial position date are approximate to their fair values due to short-term maturity of these financial instruments.

The fair value of non-current interest-bearing loans, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest payments discounted at the market interest as at the reporting date.

(c) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. Management monitors capital based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus loan from holding company less cash at bank. Total capital is calculated as equity plus net debt.

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	2010 $	2009 $
REVENUE		
Sale of goods	**13,486,853**	7,800,456
COST OF SALES		
Purchases	**12,117,499**	6,255,423
GROSS PROFIT	**1,369,354**	1,545,033
OPERATING EXPENSES	**(837,851)**	(755,577)
OPERATING PROFIT	**531,503**	789,456
OTHER INCOME		
Hotel accommodation	—	85
Advertisement cost	—	2,005
Administration cost	—	418
Child care leave encashment	**790**	—
Interest on deposits	**131**	—
Jobs credit scheme	**10,561**	—
Foreign currency exchange gain	**2,017**	—
	13,499	2,508
PROFIT BEFORE TAX	**545,002**	791,964
INCOME TAX EXPENSE	**(73,688)**	(58,176)
PROFIT FOR THE YEAR	**471,314**	733,788

This statement does not form part of the audited financial statements of the Company.

OPERATING EXPENSES
FOR THE YEAR ENDED 31 MARCH 2010

	2010 US $	2009 US $
Advertisement and promotions	**10,697**	3,608
Auditor's remuneration	**3,100**	1,645
Bank charges	**1,729**	884
Central Provident Fund, FWL and SDL	**21,736**	18,653
Depreciation	**45,069**	41,066
Director's fees	**—**	1,559
Director's remuneration	**1,360**	—
Deferred expenditures - written off	**41,599**	—
Entertainment	**—**	7,342
Exchange Loss	**—**	27,165
Fines and penalty	**2,061**	—
Freight charges	**510**	—
General expenses	**6,477**	4,617
Insurance	**2,988**	—
Legal and professional services	**14,804**	17,783
Medical expenses	**27**	256
Membership and subscription fees	**150**	6,353
Newspaper charges	**—**	193
Office maintenance	**16,204**	3,142
Postage and courier charges	**1,015**	347
Printing and stationery	**877**	8,999
Rental	**324,849**	235,573
Small assets expense	**—**	8,263
Staff salaries	**295,586**	284,361
Tax fees	**643**	592
Telephone and internet	**11,860**	16,941
Transport	**19,737**	16,283
Travelling	**17,976**	47,918
Utilities	**1,586**	2,034
	842,640	755,577

This statement does not form part of the audited financial statements of the Company.

BALANCE SHEET ABSTRACT AND COMPANY`S GENERAL BUSINESS PROFILE

(Amount in Lakhs)

I	**REGISTRATION DETAILS**	
	CIN Number	L29309AP1990PLC011721
	Balance Sheet	31.03.2010
	State Code	01
II	**CAPITAL RAISED DURING THE YEAR**	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	507.14
III	**POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS**	
	Total Liabilities	114683.87
	Total Assets	114683.87
	Sources of Funds	
	Paid up Capital	3404.89
	Share Application Money	4465.25
	Reserves & Surplus	40849.88
	Deferred Tax Liability	3916.81
	Secured Loans	39597.04
	Un-Secured Loans	22450.00
	Application of Funds	
	Net Fixed Assets	29068.63
	Capital Work in Progress	20654.95
	Investments	204.98
	Net Current Assets	64755.31
	Misc. Expenditure	NIL
	Accumulated Losses	NIL
IV	**PERFORMANCE OF THE COMPANY**	
	Total Turnover	58756.09
	Total Expenditure	47949.53
	Profit before Tax	10806.56
	Profit after Tax	6504.06
	Earnings per Share in Rs.	
	- Basic	21.22
	- Diluted	15.09
	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

INTENTIONALLY KEPT BLANK

BARTRONICS INDIA LIMITED

Survey No. 351, Raj Bollaram Village,
Medchal Mandal, Andhra Pradesh - 501 401

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 bahalf at the Ninteenth Annual General Meeting of the Company to be held on Tuesday December 28, 2010 at 11.00 A.M. and at any adjournment thereof.

Signed this the .... day of... 2010

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 BE A MEMBER

BARTRONICS INDIA LIMITED

Survey No. 351, Raj Bollaram Village,
Medchal Mandal, Andhra Pradesh - 501 401

Member's Folio Number .... No.of Shares held ....

ATTENDANCE SLIP

(19th 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 Ninteenth Annual General Meeting to be held on held (on Tuesday, 28th Day of December 2010, at 11.00 A.M. at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Andhra Pradesh-501 401)

To be signed at the time of handing over this slip ....

Member's / Proxy's Signature

BOOK-POST

making businesses work

If undelivered please return to :

BARTRONICS INDIA LIMITED
Corporate Office:
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