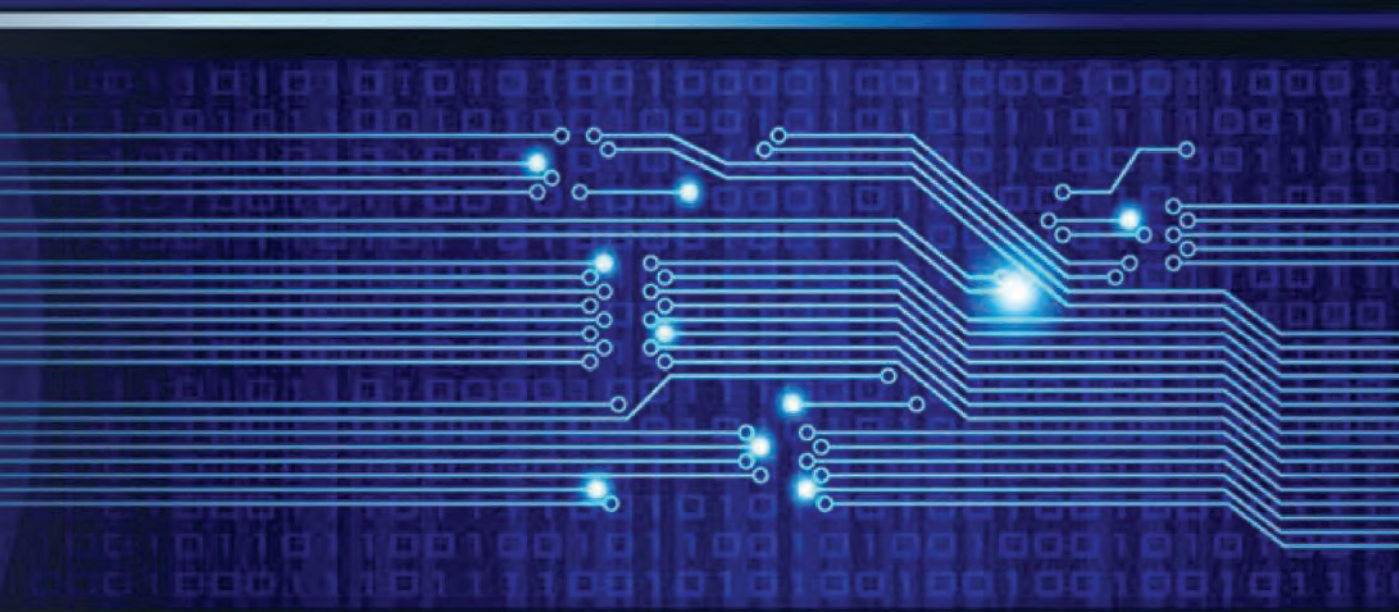




# Bartronics India Limited



**23<sup>rd</sup>**  
**Annual**  
**Report**

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**2013-2015**

## CORPORATE INFORMATION

MANAGING DIRECTOR	:	Mr. Sudhir Sundar Rao
DIRECTORS	:	Mr. A. B. Satyavas Reddy Mr. C. Prakash Ramaiah * Mrs. A. Syamala Reddy* Mr. K. Udai Sagar * *Independent & Non-Executive Director
MANAGEMENT COMMITTEE	:	Mr. Sudhir Sundar Rao Mr. K. Udai Sagar
AUDIT COMMITTEE	:	Mr. K. Udai Sagar Mr. A. B. Satyavas Reddy Mr. C. Prakash Ramaiah
STAKE HOLDERS RELATIONSHIP COMMITTEE	:	Mr. A. B. Satyavas Reddy Mr. C. Prakash Ramaiah Mr. K. Udai Sagar
NOMINATION AND REMUNERATION COMMITTEE	:	Mr. K. Udai Sagar Mr. A. B. Satyavas Reddy Mr. C. Prakash Ramaiah
RISK MANAGEMENT COMMITTEE	:	Mr. K. Udai Sagar Mr. A. B. Satyavas Reddy Mr. C. Prakash Ramaiah
COMPLIANCE OFFICER	:	Mr. Sudhir Sundar Rao
STATUTORY AUDITORS	:	M/s T. Raghavendra & Associates Chartered Accountants, Hyderabad
INTERNAL AUDITORS	:	M/s Kommula & Co. Chartered Accountants, Hyderabad

### REGISTERED OFFICE :

Survey No. 351, Raj Bollaram Village,  
Medchal Mandal, R R Dist,  
Telangana – 501 401.  
www.bartronics.com

### CORPORATE OFFICE :

Suite # 201 & 202, Ashoka Capitol,  
Road No. 2, Banjara Hills, Hyderabad,  
Telangana – 500 034.

### LISTING : EQUITY

Equity  
BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
National Stock Exchange of India Limited (NSE)  
5th Floor, Exchange Plaza,  
Bandra (E), Mumbai - 400 051

### BANKERS :

Andhra Bank  
Bank of Baroda  
Bank of India  
Barclays Bank  
HSBC Bank Limited  
IDBI Bank Limited  
Indian bank  
LIC

### REGISTRAR & SHARE TRANSFER AGENTS :

M/s Bigshare Services Private Limited  
306, Right Wing, 3rd Floor,  
Amrutha Ville, Opp: Yashoda Hospital,  
Raj Bhavan Road, Somajiguda,  
Hyderabad - 500 082.  
Phone No: 040-2337 4967  
Email: bsshyd@bigshareonline.com  
Website: www.bigshareonline.com

## NOTICE OF 23<sup>rd</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of June, 2015 at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Ranga Reddy District, Telangana – 501 401, at 11.00 A.M., to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the period ended on 31st March, 2015 (consisting of 18 months i.e., from 1st October, 2013 to 31st March 2015), including the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. A B Satyavas Reddy, (DIN- 00137948), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors of the Company M/s Raghavendra & Associates (Membership No. 023806), Chartered Accountants, Hyderabad to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 24th Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

4. **To appoint Mr. C. Prakash Ramaiah (DIN: 01739186) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Mr. C. Prakash Ramaiah (DIN: 01739186), who was earlier appointed as an Additional Director (Independent Director)

w.e.f., 12th February, 2014 in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. C. Prakash Ramaiah as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 12th February, 2014 to 11th February, 2019, whose period of office shall not be liable to retire by rotation”.

5. **To appoint Mrs. A. Syamala Reddy (DIN: 02224082) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Mrs. A. Syamala Reddy (DIN: 02224082), who was earlier appointed as an Additional Director (Independent Director) w.e.f., 30th March, 2015, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. A. Syamala Reddy as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th March, 2015 to 29th March, 2020, whose period of office shall not be liable to retire by rotation”.

6. **To appoint Mr. K. Udai Sagar (DIN: 03298532) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of

Sections 149, 152 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Mr. K. Udai Sagar (DIN: 03298532), who was earlier appointed as an Independent Director in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. K. Udai Sagar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 29th June, 2015 to 28th June, 2020, whose period of office shall not be liable to retire by rotation”.

**7 To consider and approve the appointment of Mr. Sudhir Sundar Rao, as Managing Director & Key Managerial Person of the Company and to pass with or without modifications the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule V to the Companies Act, 2013 and provisions of Clause 49 of the Listing Agreement entered with Stock Exchanges subject to approval of the Central Government if any, consent of the members be and is hereby accorded for re-appointment of Mr. Sudhir Sundar Rao, Managing Director of the Company from 20th August, 2014 to 31st May, 2015 with the existing remuneration and other terms and conditions (shall not exceed the limits as prescribed in Schedule V of the Companies Act, 2013)”.

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

**8. To approve and adopt the new set of Articles of the Company in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under (including the statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company”.

“RESOLVED FURTHER THAT the Board be and is hereby authorize to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution”.

**9. To approve the Borrowing Limits along with guarantee or counter-guarantee and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in supersession of the earlier Resolution passed at the 17th Annual General Meeting of the Company held on 29th September, 2008 under Section 293(1)(d) of the Companies Act, 1956 and in pursuant to the provisions of section 180(1)(c) and other applicable provisions of the Companies Act, 2013 (including and statutory modification(s) or re-enactment thereof, for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and that of the Articles of Association of the Company and all other provisions of applicable laws, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained



or to be obtained from the Company bankers in the ordinary course of business) including rupee equivalent foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs. 1,500 Crores (Rupees Fifteen Hundred Crores only)".

**10. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013 [including and statutory modification(s) or re-enactment thereof, for the time being in force], and that of the Articles of Association of the Company, consent of the Company be and is here by accorded to the Board of Directors of the Company ("the Board") to hypothecate/mortgage and/or charge and/or encumber in addition to the hypothecations/mortgages and/or charges and/or encumbrances created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to takeover the management of the business and concern of the Company in certain events of default, in favour of the Company's Bankers/Financial Institutions/ other investing agencies and trustees for the holder of Debentures/Bonds/other instruments/securities to secure any Rupee/Foreign Currency Loans, Guarantee assistance, Stand by Letter of Credit and/or any issue of Non-Convertible Debentures/Instruments, and/or Compulsorily or Optionally, Fully/Partly Convertible Debentures/ Instruments, within the overall ceiling prescribed by the Members of the Company in terms of Section 180 (1) (c) of the Companies Act, 2013".

"RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties".

"RESOLVED FURTHER THAT the Board be and is here by authorized to delegate all or any of the powers here in conferred to any Committee of Directors or any one or more Directors of the Company".

**BY ORDER OF THE BOARD**

Place: Hyderabad  
Date: 20.05.2015

**Sudhir Sundar Rao**  
Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED, SIGNED AND DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable, issued by the member organization.

2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 04 to 10 of the notice is annexed hereto.
4. Copy of the draft letters of appointment of Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also available @ [www.bartronics.com](http://www.bartronics.com).
5. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of

- Director seeking appointment/re-appointment at the Annual General Meeting is annexed hereto.
6. The Share Transfer Books and Register of Members of the Company will remain closed on Friday 26th June, 2015 (One day only).
  7. Shareholders desiring any information as regards to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
  8. The registration of share transfers and other related correspondence will be dealt with, by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
  9. The shareholders / members of the Company, who are having equity shares of the Company in physical form, are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.
  10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants Members holding shares in physical form can submit their PAN details to the RTA.
  11. Electronic copy of the Annual Report for 2013-15 (including Notice of the 23rd Annual General Meeting of the Company along with Attendance Slip and Proxy) is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not having email address, physical copies of the Annual Report for 2013-15 is being sent in the permitted mode.
  12. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
  13. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2013-15 will also be available on the Company's website [www.bartronics.com](http://www.bartronics.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
  14. Members/Proxies are requested to kindly take note of the following:
    - a. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
    - b. Folio No. /DP & Client ID No. may please be quoted in all correspondence with the Company and or the RTA.
  15. Voting through electronic means.
 

Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions said forth in the notice conveying the 23rd Annual General Meeting. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com).

The e-voting facility will be available on and from 24th June, 2015 at 9.00 a.m., and ends on 28th June, 2015 at 5.00 p.m.

Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary, Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on 24th June, 2015 at 9.00 a.m. and ends on 28th June, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record

date) of 19th June, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> <li>• The sequence number is available on the address label/email of their respective.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Bartronics India Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”) :

The following statement sets out all material facts relating to the business mentioned in Item no. 4 to 10 of the accompanying Notice:

### Item No 4:

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 160 of the Act and the Articles of Association of the Company and Clause 49 of the Listing Agreement, proposes to appoint Mr. C. Prakash Ramaiah (DIN: 01739186) who was appointed as Additional Director (Independent Director) on 12th February, 2014 by the Board of Directors, as Independent Director of the Company who shall hold office for a term up to 5 (five) consecutive years with effect from 12th February, 2014 to 11th February, 2019, subject to his election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Mr. C. Prakash Ramaiah (DIN: 01739186) and as Independent Director of the Company.

The Company has also received declarations from Mr. C. Prakash Ramaiah (DIN: 01739186) that he meets with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. C. Prakash Ramaiah (DIN: 01739186) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that he is eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

The Board of Directors of your Company is also of the opinion that the appointee is independent of the management of the Company.

The Board considers that keeping in view his vast expertise and knowledge; it will be in the interest of the Company to appoint him as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director pursuant to provisions of Section 149 read with Schedule



IV of the Act for the approval by the shareholders of the Company.

The details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in Annexure to the Notice.

Mr. C. Prakash Ramaiah (DIN: 01739186) being an appointee is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

#### **Item No 5:**

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 160 of the Act and the Articles of Association of the Company and Clause 49 of the Listing Agreement, proposes to appoint Mrs. A Syamala Reddy (DIN: 02224082) who was appointed as Additional Director (Independent Director) on 30th March, 2015 by the Board of Directors, as Independent Directors of the Company who shall hold office for a term up to 5 (five) consecutive years with effect from 30th March, 2015 to 29th March, 2020 subject to her election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Mrs. A Syamala Reddy (DIN: 02224082) as Independent Director of the Company.

The Company has also received declarations from Mrs. A. Syamala Reddy (DIN: 02224082) that she meets with criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mrs. A. Syamala Reddy (DIN: 02224082) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that she is eligible to be appointed

as Independent Director pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

The Board of Directors of your Company is also of the opinion that the appointee is independent of the management of the Company.

The Board considers that keeping in view her vast expertise and knowledge; it will be in the interest of the Company to appoint her as an Independent Director. Accordingly, the Board recommends the resolution in relation their appointment as an Independent Director pursuant to provisions of Section 149 read with Schedule IV of the Act for the approval by the shareholders of the Company.

The details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in Annexure to the Notice.

Mrs. A Syamala Reddy (DIN: 02224082) being an appointee is interested in the resolutions set out at Item No. 5 of the Notice with regard to her appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolutions set out at Item No.5 of the Notice for approval by the shareholders.

#### **Item No. 6:**

Mr. K. Udai Sagar has been appointed as Independent Director of the Company, pursuant to Clause 49 of the listing agreement, whose office was not liable to retirement by rotation. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in Section 149 of the Act, which has been notified w.e.f. 1st April 2014, who are not liable to retire by rotation and shall hold office for a term up to 5 (five) consecutive years. The Securities and Exchange Board of India (SEBI) has also amended Clause 49 of the Listing Agreement inter alia stipulating similar conditions for the appointment of Independent Directors by a Listed Company.

Accordingly, it is proposed to appoint Mr. K. Udai Sagar as Independent Directors under Section 149 of the Act and Clause 49 (revised) of the Listing Agreement to hold office for 5 (five) consecutive years from 29th June, 2015 to 28th June, 2020.

The Company has received declarations from Mr. K. Udai Sagar that he meet with criteria of Independence as prescribed both under sub-section (6) of Section 149, 164 (not disqualified from being appointed as Directors) of the Act and under Clause 49 of the Listing Agreement and the details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to the Notice.

The Company has received notice in writing from member under Section 160 of the Act proposing the candidature of Mr. K. Udai Sagar for the office of Director of the Company.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. K. Udai Sagar fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Directors pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Udai Sagar as Independent Director. Accordingly, the Board recommends the resolution in relation to appointment for the approval by the shareholders of the Company.

Mr. K. Udai Sagar is interested in the resolutions set out respectively at Item No. 6 of the Notice with regard to his respective appointment.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the Stock Exchanges. The Board recommends the Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

#### **Item No. 7:**

Mr. Sudhir Sundar Rao was appointed as Managing Director in the Annual General Meeting of the Company held on 29th September, 2009 for a period of Five years.

Keeping in view the vast experience and qualification of Mr. Sudhir Sundar Rao, it has been decided by the Board of Directors that subject to approval of the members Mr. Sudhir Sundar Rao be reappointed as Managing Director of the Company from 20th Aug, 2014 to 31st May, 2015.

Members of the Company at their Annual General Meeting held on 29th September, 2009 had fixed the remuneration payable to Mr. Sudhir Sundar Rao as Rs. 84,00,000/- (Rupees Eighty Four lakhs only) P.A. (including perquisites) and it is proposed to appoint Mr. Sudhir Sundar Rao as Managing Director with same remuneration with effect from 20th August 2014 to 31st May, 2015.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Resolutions set out at Item No. 7 of the Notice for approval by the shareholders.

#### **Item No. 8:**

The Companies Act, 2013 is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on 26th March, 2014, MCA notified most of the remaining Sections. Importantly, the substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013. With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to wholly replace the existing AoA by a new set of AoA.

The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the members and also will be placed at the venue of the Annual General Meeting for inspection by the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 8 of the Notice.

Your Director recommends the Special Resolution set out at Item No. 8 of the Notice for approval of members of the Company.

**Item No. 9:**

At the 17th Annual General Meeting of the Company held on 29th September, 2008 the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed Rs.1000 Crores (Rupees One Thousand Crores only).

Taking into consideration the requirements of financial resources to meet the Company's capital expenditure programmes, including proposed investments in Indian and overseas subsidiaries in pursuit of horizontal and vertical integration in business and its expansion and acquisition plans, it is proposed to increase the said limit of Rs.1000 Crores to Rs.1500 Crores (Rupees One Thousand and Five Hundred Crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The resolution as at Item No. 9 is being proposed in view of the provisions contained in Section 180(1)(c) of the Companies Act, 2013 (i.e. replacement of Section 293(1)(d) of Companies Act, 1956).

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution except to their extent of shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

**Item No. 10:**

In the normal course of business, the Company is required to avail Term Loans, Working Capital, External Borrowings or any other financial accommodation/facility from time to time. A charge on the assets/properties of

the Company, both present and future, is normally has to given as security for such borrowings. As the documents to be executed for the creation of such charge/mortgages from time to time to secure such borrowings, may contain the power to take over the management of the Company in certain events. Therefore, it is proposed to get fresh consent of the shareholders under section 180(1)(a) of the Companies Act, 2013 for the creation/mortgage of charge(s) as set out in this resolution.

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company. As the documents to be executed between the Company and the lenders may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution except to their extent of shareholding in the Company.

Your Directors recommend the Special resolution set out in Item No.10 of the Notice for approval of members of the Company.

**BY ORDER OF THE BOARD**

Place: Hyderabad  
Date: 20.05.2015

**Sudhir Sundar Rao**  
Managing Director

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting**  
(in pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. A. B. Satyavas Reddy	Mr. K. Udai Sagar	Mr. C. Prakash Ramaiah	Mrs. A. Syamala Reddy
Director Identification Number	00137948	03298532	01739186	02224082
Date of Birth	15.05.1963	24.08.1961	30.10.1949	10.08.1966
Date of Appointment	15.10.2003	14.05.2013	12.02.2014	30.03.2015
Expertise in specific functional areas	Mr. A. B. Satyavas Reddy is a Mechanical Engineer from Osmania University and has rich experience in engineering industry. He is the promoter Director of the Company.	Mr. K. Udai Sagar has worked for various companies including Global American Technologies, Atlanta, GA, USA and also an advisor to the Govt. of Israel.	Mr. C. Prakash Ramaiah is having more than 30 years of experience in the fields of Banking & Finance	Mrs. A Syamala Reddy is having an industrial experience of more than 10 years.
Qualification	B.E. (Mechanical)	MBA	B. Com, CAIIB, PGDCS	M.Sc. (Home Science)
Directorship held in other public companies (excluding foreign companies)	Satya Straps and Packing Technologies Limited	Affluence Steel Enterprises Limited	a) SCM Infra Developers Limited b) Infokall Enterprise Solutions Limited c) Mapakshi Finance Limited	Nil
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholder Relationship Committee).	NIL	NIL	NIL	NIL
Shareholding in the Company	1050797 shares	Nil	Nil	Nil
Relationship between the Directors inter-se	Nil	Nil	Nil	Nil

## DIRECTORS' REPORT

To the Members,

The Board of Directors have pleasure in presenting the Twenty Third Annual Report and the Audited Financial Statements of the Company for the period ended 31st March, 2015 consisting of 18 months (i.e. from 1st Oct, 2013 to 31st Mar, 2015).

### Company Performance:

Your Company has achieved a turnover of Rs. 4,387.06 lakhs for the period ended 31st March, 2015 (consisting of 18 months i.e., from 1st October, 2013 to 31st March, 2015), against the turnover of Rs. 11,362.85 lakhs for the previous year ended 30th September, 2013 (12 months only), the highlights of the financial results are as follows:

Rs. in Lakhs

Particulars	2013-2015 (18 Months)	2012-2013 (12 Months) (Restated)
Profit Before Depreciation & Interest	<b>(47.89)</b>	(1,136.21)
Financial Costs	<b>7,004.75</b>	5,046.14
Depreciation	<b>5,721.11</b>	5,276.84
Profit Before Tax	<b>(12,773.75)</b>	(11,459.19)
Provision for Tax		
- Current Tax	-	-
- Deferred Tax	<b>(1,528.94)</b>	(3,470.36)
Profit After Tax	<b>(11,244.81)</b>	(7,988.83)
Balance of profit brought forward from earlier years	<b>2,847.11</b>	9,782.48
Add: Excess Provision for IT written off	-	1,076.47
Profit available for appropriation	<b>(8,397.70)</b>	2,870.12
Appropriations:	-	-
Proposed Dividend:	-	-
- Equity	-	-
- Preference	-	-
- Dividend Tax	-	-
Balance of Profit	<b>(8,397.70)</b>	2,870.12

Presently your Company offers the following business activities:

- Providing solutions using umbrella of AIDC technologies and smart card manufacturing.
- Financial Inclusion Division for implementing the FI projects as per the guidelines of RBI.

- Providing solutions in Radio Frequency Identification and Data Capture (RFID) Technology.

Your Company continues to see strong growth traction across existing business and expects the momentum to continue in future also.

### Capital Structure:

#### Foreign Currency Convertible Bonds:

Your Company, during 2007-08 had 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	FCCB 2013 (January 09, 2008 and January 23, 2013)
Conversion Price per Equity Shares (Rs)	191.25
Number of shares converted till 31st March, 2015 out of FCCB 2013 issue	Nil
Outstanding FCCBs as on 31st March, 2015 (In Millions US\$)	50

The Foreign Currency Convertible Bonds (FCCB's) are listed on the Singapore Stock Exchange. These bonds were due for redemption in February 2013. The company has appointed M/s Avista Advisory Group, Mumbai, to assess all the options available with the company and finalize best suited approach in order to address the maturity. The options available with the company include restructuring the bonds i.e., rolling over the bonds for next five years or replacing the bonds with fresh bonds, or redeeming all the bonds at a mutually agreeable price. With these available options; the Company, along with M/s Avista Advisory Group, Mumbai, has got in touch with the bondholders and has initiated discussions which are at advanced stages now. The company had filed a request for an extension of the maturity of the bonds to 4th May, 2014 with Reserve Bank of India which was granted vide letter dated 21st February, 2014. The company has applied for further extension of the maturity of the Bonds to Reserve Bank of India (RBI) and the Company is waiting to hear from RBI to move forward. The Company is confident of addressing the maturity of Bonds shortly.



**Changes to Share Capital:**

At present the Authorized Share Capital of the Company stands at Rs. 110 crores and the paid up capital stand at Rs. 34.04 crores there has been no change in the share capital during the period ended 31st March, 2015.

**Extension of Financial Year & time to hold the Annual General Meeting:**

The Financial Year 2013-14 (consisting of 12 months i.e., from 1st October 2013 to 30th September, 2014) of your Company has been extended up to 31st March, 2015 consisting of 18 months i.e., from 1st October, 2013 to 31st March, 2015 in order to maintain uniform accounting year as per new provisions of the Companies Act, 2013, so that the balance sheet and profit and loss account giving effect to such extension shall be compiled for a period of 18 months for the period 2013-2015 (from 01st October, 2013 to 31st March, 2015), accordingly the time to hold/ conduct Annual General Meeting for the period 2013-15 is extended up to 30th June, 2015 with the approval of Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana.

**Restatement of Financial Statements for the Financial Year 2013:**

National Stock Exchange of India Limited, Mumbai vide their letter no NSE/LIST/1583 dated 30th October, 2014 has advised the Company to restate the Financial Statements for the year ended 30th September, 2013 (i.e., Financial Year 2012-13) on the impact of trade receivables of the Company i.e., the Company was advised to create provision for the trade receivables of Rs. 65.85 Crores, which was not created by the Company originally.

The Company at their Board of Directors meeting held on 20th May, 2015 has restated the financials by creating provision for trade receivables and the same were circulated to the Stock Exchanges and also placed at the company's website i.e., www.bartronics.com.

**Particulars of Loans, Guarantees and Investments:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Contracts and Arrangements with Related Parties:**

Details of Contracts and arrangements with related parties under section 188 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Subsidiary Companies:**

Your Company has two subsidiary companies viz., Bartronics Asia Pte. Limited and Bartronics Middle East FZE and four step down subsidiary companies viz., Bartronics Hongkong Ltd, Bartronics Global Solutions Limited, Veneta Holdings Ltd and Burbank Holdings Ltd.

**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 US\$ 7,69,500. Bartronics Asia Pte Limited (BAPL) acquired the only issued share of Cason Limited on 21st December, 2007; subsequently the name of the Company was change to Bartronics Hong Kong Limited with effect from 15th October, 2008. In the month of April 2011, BAPL acquired the only shares of Veneta Holdings Limited, Mauritius making it its wholly owned subsidiary. BAPL had incorporated another subsidiary in Mauritius named Burbank Holdings Limited.

**Bartronics Middle East Fze:**

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

**Consolidated Financial Statements:**

As required under the Listing Agreements entered into with the Stock Exchanges and as per provisions of Companies Act, 2013, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statement has been prepared in accordance with the relevant accounting standards as prescribed under Section 129, 133 of the Companies Act, 2013 and as per Schedule III of the Companies Act, 2013. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Head Office in Hyderabad and that of the subsidiary companies concerned. A gist of the financial performance of the subsidiary Companies is contained in the report.

**Dividend:**

In the absence of profit, your directors are unable to declare any dividend for the period 2013-2015.

**Significant and Material Orders passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status of the Company.**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

**Industrial Relations:**

Your Directors are happy to report that during the period there were very cordial and extremely good industrial relations at all levels.

**Directors:**

In accordance with the Articles of Association of the Company, Mr. A. B. Satyavas Reddy is liable to retire by rotation and being eligible, offer himself for reappointment.

During the period the Board of Directors had appointed Mr. C. Prakash Ramaiah as an Additional Director (Independent) of the Company w.e.f. 12th February, 2014 and appointed Mrs. A. Syamala Reddy as an Additional Director (Independent) of the Company w.e.f. 30th March, 2015.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Further Mr. Sudhir Sundar Rao was reappointed as Managing Director of the Company from 20th August, 2014 to 31st May, 2015 subject to the approval of members.

**Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**Meetings:**

During the period six Board Meetings and six Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Listing Agreement.

During the period a meeting of Independent Directors was convened and held on 31st March, 2015.

**Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the period ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note: 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the period ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Disclosures Under Section 134(3)(l) of the Companies Act, 2013:

Material changes and commitments which can affect the financial position of the Company occurred between the end of the period of the Company and date of this report:

S. No	Particulars	Change (Yes/No)
(a)	The purchase, sale or destruction of a plant or the destruction of inventories.	No
(b)	A material decline in the market value of inventories or investments	No
(c)	The expiration of a patent which had given the Company a virtual monopoly in the sale of its principal products.	No
(d)	The settlement of tax liabilities of prior period and the settlement of any legal or other proceedings either favourably or adversely, if they were pending at the balance-sheet date.	No
(e)	The institution of importance proceedings against the Company.	No
(f)	Material change in the capital structure in the resulting from the issuance, retirement or conversion of share capital or stock .	No
(g)	The disposal of a substantial part of the undertaking or the profits or loss whether of a capital or revenue nature.	No
(h)	Alteration in the wage structure arising out of Union Negotiations.	No
(i)	Incurring or any reduction of long-term indebtedness.	No
(j)	Entering into or cancellation of contracts.	No
(k)	Refund of taxes or completion of assessments	No

#### Related Party Transactions:

As mentioned in the Note No. 33 (on Page No. 66) under the head Notes to Accounts.

The Company has adopted related party transactions policy as per Clause 49(VIII)(A)(2).

#### Code of Conduct:

As the New Companies Act, 2013 has been made effective from 01st April, 2014 which replaces the erstwhile Companies Act, 1956 (to the extent of notified sections) and the provisions of Section 149 (8) requires that the Audit Committee shall review and recommend to the Board for their approval, the Code of Conduct for the Independent Directors. In this connection, the draft Code of Conduct for Independent Directors was placed before the Board along with the recommendations of the Audit Committee and the same was approved by the Board in the Meeting held on 20th January, 2014.

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on Companies website. Board Members and Senior Management Personnel have affirmed Compliance with the Code for the period 2013-15. A separate declaration to this effect is made out in the Corporate Governance Report.

The Company has adopted code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct as required under Regulation (8)(1) and Regulation (9)(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo:

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013, read with the Rule, 8 (3) of the Companies (Accounts) Rules, 2014, are given in the Annexure-A attached hereto and forms part of this Report.

#### Statutory Auditors:

The Company's Statutory Auditors, M/s T. Raghavendra & Associates, Chartered Accountants [Registration No.003329S], Hyderabad will retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment.

The Company has received necessary certificates from the Auditor pursuant to Section 139 and 141 of the Companies Act, 2013 regarding their eligibility for re-appointment.

Accordingly, the approval of the Shareholders for the re-appointment of M/s T. Raghavendra & Associates, Chartered Accountants as Auditors of the Company is being sought at the ensuing Annual General Meeting.

Your Board recommends the appointment of M/s T. Raghavendra & Associates, Chartered Accountants as Auditors of the Company.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Y. Ravi Prasada Reddy, a Company Secretary in Practice (having CP No. 5360) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure B".

**Personnel:**

In terms of provisions of Section 197 read with Rule, 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are receiving remuneration as mentioned in the said section.

The information required pursuant to Section 197 read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as per Annexure C.

**Human Resource Management:**

The Company believes and considers its human resources as the most valuable asset. The Management is committed to providing an empowered, performance oriented and stimulating work environment to its employees to enable them realize their full potential. Robust HR processes and initiatives adopted by the Company helped in containing the attrition of executives. Industrial Relations remained cordial and harmonious during the period.

**Policy on Prevention of Sexual Harassment**

The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaints under the policy.

The company has many systems, processes and policies to ensure professional ethics and harmonious working environment. We follow Zero Tolerance towards Corruption and unethical conduct. These are ensured

through Whistle Blower Policy, Gift Policy, Sexual Harassment Policy and Redressal Guidelines.

**Quality:**

Your Company accorded high priority to quality, safety, training, development, health and environment. The Company endeavors to ensure continuous compliance and improvements in this regard.

**Insurance:**

All the properties and insurable assets of the Company, including Building, Plant and Machinery, stocks etc., wherever necessary and to the extent required, have been adequately covered.

**Fixed Deposits:**

Your Company has not accepted any fixed deposits from the public and the provisions of Section 73 of the Companies Act, 2013 are not applicable.

**Corporate Governance:**

Your Company is committed to principles of good Corporate Governance. The Board of Directors ensures that your Company is in compliance with all the applicable provisions of the Clause 49 (as amended) of the Listing Agreement pertaining to Corporate Governance. A detailed report on Corporate Governance is attached and forms part of this report. Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is attached to this report.

**Risk Management Policy:**

The Company has adopted Risk Management Policy as per Clause 49 of the Listing Agreement.

**Corporate Social Responsibility:**

The Board of Directors of the Company had constituted Corporate Social Responsibility Committee and had formulated a policy on Corporate Social Responsibility. The Company was not required to spend any amount during the financial year.

**Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT 9 are annexed herewith as "Annexure D".

**Whistle Blower Policy and Vigil Mechanism:**

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

**Explanation to the Qualifications in Auditor's Report and Secretarial Audit Report:**

There are no qualifications or adverse remarks in the Auditor's Report or Secretarial Audit Report:

**Acknowledgement:**

The Board of Directors of the Company extends their sincere appreciation to the Government, Bankers, Financial Institutions and others for their kind support. On behalf of the Company, the Board of Directors thanks the Employees for their valuable efforts and the shareholders for their undaunted faith in the Company.

**BY ORDER OF THE BOARD**

**Sudhir Sundar Rao**  
Managing Director

**A. B. Satyavas Reddy**  
Director

Place: Hyderabad

Date: 20.05.2015

**Form AOC-I**

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

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

S. No.	Name of the Company	Financial Year of the Subsidiary Company ended on	Country of Incorporation	Percentage of Shareholding	Reporting currency and Exchange rate
1.	Bartronics Asia Pte. Ltd.	31.03.2015	Singapore	100%	USD
2.	Bartronics Middle East FZE	31.03.2015	UAE	100%	USD
<b>Subsidiaries of Bartronics Asia Pte. Ltd</b>					
3.	Bartronics Hong Kong Limited	31.03.2015	Hong Kong	100%	USD
4.	Veneta Holdings Limited	31.03.2015	Mauritius	100%	USD
5.	Bartronics Global Solutions Limited	31.03.2015	India	99%	INR
6.	Burbank Holdings Limited	31.03.2015	Mauritius	100%	USD

Name of the Subsidiary	Share capital	Reserves & Surplus	Total Liabilities	Total Assets	Investment	Turn-over	Profit before taxes	Provision for taxation	Profit after taxes	Proposed Dividend
Bartronics Asia Pte. Ltd	2,15,97,042	4,66,954	74,62,784	2,95,26,780	10,143	4,62,477	-5,24,013	-	-5,24,013	-
Bartronics Middle East FZE	41,096	8,06,713	78,26,636	2,09,67,384	-	4,59,051	-2298.01	-	-2298.01	-
Bartronics Hong Kong Limited	1	79,53,902	27,31,992	1,06,85,895	-	44,63,434	-1,40,350	-	-1,40,350	-
Veneta Holdings Limited	100	7,76,139	2,08,45,099	2,16,21,337	-	93,40,000	55,000	-	55,000	-
Bartronics Global Solutions Limited	10,000	-2,49,564	10,82,090	8,42,525	-	18,81,003	-1,39,597	-	-1,39,597	-
Burbank Holdings Limited	100	-1,00,000	1,03,400	3500	-	-	-	-	-	-



**Part “B”: Associates and Joint Ventures**

The Company does not have any Associates or Joint Ventures, therefore statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable.

**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis: Nil (All related party transactions are taken up on arms length basis).
2. Details of material contracts or arrangement or transactions at arm’s length basis

a) Name(s) of the related party and nature of relationship)	Bartronics Asia Pte Ltd (BAPL) –Subsidiary
(b) Nature of contracts / arrangements / transactions	1. Sales Transactions of Rs. 153.38 Lakhs 2. Advances of Rs. 6312.88 Lakhs 3. Receivables against sales of Rs. 82.13 Lakhs
(c) Duration of the contracts / arrangements/ transactions	Transactions had taken place during the period 1st Oct, 2013 to 31st Mar, 2015
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General Business Transactions
(e) Date(s) of approval by the Board, if any:	The companies had entered into these transactions for the ease of doing business and increasing efficiency.
(f) Amount paid as advances, if any:	Nil

**BY ORDER OF THE BOARD**

**Sudhir Sundar Rao**  
Managing Director

**A. B. Satyavas Reddy**  
Director

Place: Hyderabad  
Date: 20.05.2015

## Annexure-A to the Directors' Report

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY:**

a)	Energy conservation	Energy saving measures is being implemented to reduce energy cost per unit of manufacture.
b)	Additional investment and proposals, if any, being implemented for reduction of consumption of energy.	--NIL--
c)	Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production.	Cost of production will come down and prices will become competitive.
d)	Total energy consumption and energy consumption per unit of production.	Details given hereunder in Table-A.

**B. TECHNOLOGY ABSORPTION:**

e)	Efforts made in technology absorption.	Details given hereunder in Table- B.
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**C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

f)	Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company has planned expansion of export markets.
g)	Total foreign exchange used and earned.	Earned Rs. 5,074.11 Lakhs, Used Rs.28.65 Lakhs.

**TABLE-A****PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:****Electricity - purchased for manufacture of Smart Cards and Related Products:**

	2013-15 (18 Months)	2012-13 (12 Months)
Units (KWH)	3,67,000	1,76,520
Total amount (Rs.)	38,19,514	22,28,198
Rate/units (Rs)	10.41	12.62
Diesel	-	-

**TABLE-B****Disclosure of particulars with respect to Technology Absorption, Research and Development (R&D)**

- Specific areas in which R&D carried out by the Company : -Nil-
- Benefit derived as a result of the above R &D : -Nil-
- Future plan of Action: Completion of product development action Expenditure on R&D : -Nil-
- Technology Absorption, Adoption and Innovation:

1.	Efforts in brief made towards technology absorption, adoption and innovation.	:	N.A.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution.	:	
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the period)	:	
a)	Technology imported	:	
b)	Year of import	:	
c)	Has technology been fully absorbed	:	
d)	If not fully absorbed, areas where this has not taken place, reasons here of and future plans of action	:	

Annexure-B to the Directors' Report

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**Bartronics India Limited**  
Survey No. 351, Raj Bollaram Village,  
Medchal, Ranga Reddy District,  
Telangana – 501401.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bartronics India Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the period ended on 31st March, 2015 (consisting of 18 months from 01.10.2013 to 31.03.2015), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014.;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) & BSE Limited (BSE).

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test-check basis and on the basis of the management representation that the Company has complied with all the industrial specific applicable laws.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the following is the brief of events undertaken by Company during audit period:

- ❖ During the period 2013-15, Six (6) Board meetings were held on 29th November, 2013, 12th February, 2014, 14th May, 2014, 25th July, 2014, 14th November, 2014 and 20th January, 2015.
- ❖ During the period 2013-15, Six (6) Audit Committee meetings were held on 29th November, 2013, 12th February, 2014, 14th May, 2014, 25th July, 2014, 14th November, 2014 and 20th January, 2015.
- ❖ The Financial Year 2013-14 (consisting of 12 months i.e., from 1st October 2013 to 30th September, 2014) of your Company has been extended up to 31st March, 2015 consisting of 18 months i.e., from 1st October, 2013 to 31st March, 2015 in order to maintain uniform accounting year as per new provisions of the Companies Act, 2013. Accordingly the time to hold/conduct Annual General Meeting for the period 2013-15 is extended up to 30th June, 2015 with the approval of Registrar of Companies, Hyderabad, Andhra Pradesh & Telangana.
- ❖ The Company has received a letter from National Stock Exchange of India Limited, Mumbai vide their letter no NSE/LIST/1583 dated 30th October, 2014 to restate its previous year Financial Statements i.e., 2012-13, with regards to trade receivables of the Company.
- ❖ The Company at their Board of Directors meeting held on 20th May, 2015 has restated the financials for the year 2012-13 by creating provision for trade receivables

Place: Hyderabad  
Date: 20th May, 2015

**Y. RAVI PRASADA REDDY**  
FCS No.: 5783  
C. P. No.: 5360

**Annexure-C to the Directors' Report**

**Statement pursuant to Section 197 read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.**

S.No.	Disclosure	Particulars		
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial period	During the period no remuneration was paid to the Managing Director, Hence ratio of remuneration stands at 0(Zero).		
2.	The percentage increase in remuneration of each director, Chief Executive Officer	Nil		
3.	Company Secretary or Manager, if any, in the financial year; the percentage increase in the median remuneration of employees in the financial period	Nil		
4.	The number of permanent employees on the rolls of company	238		
5.	The explanation on the relationship between average increase in remuneration and company performance	As the company faced challenges in retaining its talent pool because the company was not able to revise salary structure for 3 preceding years. To address this, company had decided to revise salaries of its key employees so that the company will be better prepared to overcome challenges and retain the expected growth trajectory		
6.	comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Mr. Pundarika Bibireddy, CEO, was paid Rs. 35,16,739/- against Company's consolidated Revenue of Rs. 170 Crores during the financial period (consisting of 18 months) under consideration.		
7.	<b>Details</b>	<b>31.03.2015</b>	<b>30.09.2013</b>	<b>Variation %</b>
	Variations in the market capitalisation of the company	38.27 Crores	23.9 Crores	60.13%
	Price earnings ratio as at the closing date of the current financial year and previous financial year	(0.34)	(0.34)	Nil
	Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	(91.47)		
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 42% for employees having salary below Rs. 50,000 and there were no increase in the managerial remuneration.		
9.	The key parameters for any variable component of remuneration availed by the directors;	N.A.		
10.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the period	N.A.		
11.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes		



## Annexure-D to the Directors' Report

## Form MGT- 9

**EXTRACT OF ANNUAL RETURN**  
as on period year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L29309AP1990PLC011721
Registration Date	10/09/1990
Name of the Company	Bartronics India Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Survey No. 351, Raj Bollaram Village, Medchal Mandal, Telangana – 501401.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Private Limited 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. Phone No 040-2337 4967 Email: bsshyd@bigshareonline.com Website: bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Engaged in the manufacturing of Smart cards and RFID (Radio Frequency Identification) equipments	Group : 368 Class : 368.9	47.48%
2	Financial Inclusion Project	-	52.52%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name And Address Of The Company	Cin/Gln	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bartronics Asia Pte Limited	Foreign Company	Subsidiary	100	2(87)
2	Bartronics Middle east FZE	Foreign Company	Subsidiary	100	2(87)
<b>Subsidiaries of Bartonics Asia Pte Ltd.</b>					
3	Bartronics Hongkong	Foreign Company	Subsidiary	100	
4	Veneta Holdings Limited	Foreign Company	Subsidiary	100	
5	Bartronics Global Solutions Limited	U72200TG2011PLC074715	Subsidiary	99	
6	Burbank Holdings Limited	Foreign Company	Subsidiary	100	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1050800	0.00	1050800	3.09	1050800	0.00	1050800	3.09	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3218390	0.00	3218390	9.45	3218390	0.00	3218390	9.45	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>4269190</b>		<b>4269190</b>	<b>12.54</b>	<b>4269190</b>		<b>4269190</b>	<b>12.54</b>	<b>0.00</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>		<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>4269190</b>		<b>4269190</b>	<b>12.54</b>	<b>4269190</b>		<b>4269190</b>	<b>12.54</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1461675		1461675	4.29	1038560		1038560	3.05	3.58
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1461675</b>		<b>1461675</b>	<b>4.29</b>	<b>1038560</b>		<b>1038560</b>	<b>3.05</b>	<b>3.58</b>
<b>2. Non-Institutions</b>									<b>0.00</b>
a) Bodies Corp.									0.00
i) Indian	3910232		3910232	11.48	2885811	8.48	2885811	8.48	10.74
ii) Overseas	1500		2100	0.00	600	0.00	600	0.00	0.00
b) Individuals									0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18604807	2792	18607599	54.66	18479834	54.27	18479834	54.27	53.67

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4108178		4108178	12.07	5697421	16.73	5697421	16.73	10.68
c) Others (specify)									
i) Trusts	3150		3150	0.01	1450	0.00	1450	0.00	0.01
ii) Non Resident Indians	1644470		1644470	4.83	1547886	4.55	1547886	4.55	3.89
iii) Clearing members	42267		42267	0.12	128109	0.38	128109	0.38	0.06
<b>Sub-total (B)(2):-</b>	<b>28314604</b>	<b>2792.00</b>	<b>28317996</b>	<b>83.17</b>	<b>28741111</b>	<b>84.41</b>	<b>28741111</b>	<b>84.41</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>29776279</b>		<b>29779671</b>	<b>87.46</b>			<b>29779671</b>	<b>87.46</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>			<b>34048861</b>	<b>100.00</b>			<b>34048861</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the period			Share holding at the end of the period			% change in share holding during the period
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri A.B.Satyavas Reddy	1050797	3.09	678000	1050797	3.09	678000	0
2	Shri Nihar K Oza	3	0	0	3	0	0	0
3	M/s Satya Straps & Packing Technologies Limited	1,018,390	2.99	15000	1,018,390	2.99	15000	0
4	M/s Info tech Infin & Trading Pvt Ltd	2,200,000	6.46	0	2,200,000	6.46	0	0
	<b>Total</b>	<b>4269190</b>	<b>12.54</b>	<b>693000</b>	<b>4269190</b>	<b>12.54</b>	<b>693000</b>	<b>0</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No Change in Promoter's Shareholding during the Period.				

## v) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders At the beginning of the period	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Indian Overseas Bank	665500	1.955	665500	1.955
2	Naman Finance & Investment Private Limited	441919	1.298	1107419	3.252
3	Icfc Ltd	376472	1.106	1483891	4.358
4	Sicom Ltd.	373060	1.096	1856951	5.454

5	Ht Media Limited	308166	0.905	2165117	6.359
6	Chakradhara Rao Potluri	243471	0.715	2408588	7.074
7	Ajit Chandraraj	206579	0.607	2615167	7.681
8	Brand Equity Treaties Limited	184899	0.543	2800066	8.224
9	Badiwal Softwares Private Limite	122500	0.360	2922566	8.583
10	Tarun Jain	104000	0.305	3026566	8.889
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	During the period there were no further allotment by the Company and no change in increase or decrease is not more than 2% of the Capital.			
<b>At the End of the year ( or on the date of separation, if separated during the year)</b>					
1	Indian Overseas Bank	665500	1.955	665500	1.955
2	Naman Finance & Investment Private Limited	441919	1.298	1107419	3.252
3	Sicom Ltd.	373060	1.096	1480479	4.348
4	Chakradhara Rao Potluri	219194	0.644	1699673	4.992
5	Ajit Chandraraj	206579	0.607	1906252	5.599
6	R Padmavati	142000	0.417	2048252	6.016
7	Rajni Tarun Jain	104000	0.305	2152252	6.321
8	Dipak Kanayalal Shah	103000	0.303	2255252	6.624
9	Prabhakar Reddy Palicherla	85091	0.250	2340343	6.873
10	Karvy Stock Broking Ltd	82785	0.243	2423128	7.117

**vi) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP At the beginning of the year	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	A B Satyavas Reddy	1050797	3.086	1050797	3.086
2	Sudhir Sundar Rao	468996	1.377	1519793	4.464
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change during the period			
	At the End of the period	Same as beginning of the period			

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Rs. in Lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	34,435.38	32,382.06	-	66,817.45
ii) Interest due but not paid	4,999.74	-	-	4,999.74
iii) Interest accrued but not due	33.87	-	-	33.87
<b>Total (i+ii+iii)</b>	<b>39,468.99</b>	<b>32,382.06</b>		<b>71,851.06</b>

<b>Change in Indebtedness during the financial year</b>				
- Addition	5,195.10	412.06	-	5,607.16
- Reduction	4,803.41	-	-	4,803.41
<b>Net Change</b>	<b>391.69</b>	<b>412.06</b>	<b>-</b>	<b>803.75</b>
<b>Indebtedness at the End of the financial year</b>				
i) Principal Amount	29,665.85	32,794.12	-	62,459.97
ii) Interest due but not paid	10,194.84	-	-	10,194.84
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>39,860.69</b>	<b>32,794.12</b>	<b>-</b>	<b>72,654.81</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD Mr. Sudhir Sundar Rao	Total Amount (in Rs.)
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,80,000	37,80,000
	b) Value of perquisites u/s17(2) Income-tax Act,1961	1,91,178	1,91,178
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	44, 28,000	44,28,000
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify...		
5.	Others	Nil	Nil
	<b>Total(A)</b>	84,00,000	84,00,000
	Ceiling as per the Act	Rs. 60,00,000 as per Schedule V	

**Note:** though Mr. Sudhir Sundar Rao was eligible for the above remuneration but no remuneration was paid to Mr. Sudhir Sundar Rao during the period

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		Mr. C Prakash Ramaiah	Mr. K. Udai Sagar	Mrs. A. Syamala Reddy	Mr. A. Subrahmanyam	
<b>3. Independent Directors</b>						
◆	Fee for attending board/committee meetings	50,000	60,000	0	10,000	1,20,000
◆	Commission	0	0	0	0	0
◆	Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	50,000	60,000	0	10,000	1,20,000
<b>4. Other Non-Executive Directors</b>		Mr. A. B. Satyavas Reddy				
◆	Fee for attending board/committee meetings			Nil		
◆	Commission			Nil		Nil
◆	Others, please specify			Nil		
	<b>Total (2)</b>			Nil		Nil
	<b>Total (B) = (1+2)</b>	50,000	60,000	0	10,000	1,20,000
	Total Managerial Remuneration	Nil				
	Overall Ceiling as per the Act	Within the Limits of Section 197 and Schedule				

**C. Remuneration To Key Managerial Personnel Other Than Managing Director:**

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		CEO
1.	Gross Salary a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s17(2) Income-tax Act, 1961 c) Profits in lieu of salary under Section17(3) Income-tax Act, 1961	Rs.35,16,732/- Nil Nil
2.	StockOption	Nil
3.	SweatEquity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	<b>Total</b>	<b>Rs.35,16,732/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**BY ORDER OF THE BOARD**

**Sudhir Sundar Rao**  
Managing Director

**A. B. Satyavas Reddy**  
Director

Place: Hyderabad  
Date: 20.05.2015



## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview:

Your company was Incorporated in Hyderabad, India in 1990. Your Company started with providing solutions based on Bar Coding, one of the oldest Automated Identification and Data Capture (AIDC) technologies. Since then, in the past two decades, it has been pioneering in introducing newer technologies and solutions in India based on Biometrics, RFID, POS, EAS, and Smart Cards etc. Today it has global presence through subsidiaries in USA, Singapore, and Middle East. It is headquartered in Hyderabad, India.

Your company has always been at the forefront in most of the technologies under the AIDC umbrella and will strive to continue this for delivering improved value to the customers. This has been achieved by establishing strong relationship with technology giants who have given us access to futuristic technologies thereby giving us the competitive edge of introducing any new technology which is available for commercial use.

Our ability to keep ourselves abreast with the technological advances and provide innovative solutions to our clients; coupled with the experience and implementation skills, makes us our client's ideal partner in their growth story; which truly defines our success.

The management team has effectively leveraged the existing strengths and since 2001 the focus has moved from being a mere systems integrator to offering end to end solutions. Today, Bartronics is spreading its wings across the globe to serve the growing demand for the quality services and reach out for the newer opportunities and markets.

### Business Scenario

During the concluded financial year, the Indian GDP grew at 6.9%, as declared by the Finance Ministry. However, the manufacturing and services sector witnessed muted growth rate. Your company too faced challenging business environment which got reflected in the company's financial performance. Nevertheless, for the current financial year, government has taken initiatives to support the economy, and International Monetary Fund (IMF) has projected the growth rate of GDP at 7.5% and manufacturing and services sector is expected to contribute for this. Management believes that your company is well prepared to exploit every opportunity that is expected to come during this year.

### Key Developments

#### Indian Operations:

The challenging business environment faced by the company last year prompted us to take critical & important decisions in order to protect interest of all the stakeholders of the company and one of those decisions was to consolidate the business around quality clients. We had to temporarily stop working with clients who were yet to clear our dues as the company has increased its focus on the realization of outstanding debtors. Although this has temporarily resulted in lower topline, the entire process will create an organization which will have strong base of quality customers and a scalable model on which company will ride into growth phase.

**Financial Inclusion:** Your Company has gained strong foothold in the government's priority area of Financial Inclusion. All the Banks that the company work with have acknowledged Company's strength in providing services backed with best of the technologies.

**Global Delivery Center:** Your Company, considering setting up a Global Delivery Center which will be rendering IT services of niche and focused technologies. Your company already has global presence through offices in Singapore, Middle East etc. which will help GDC to grow at much faster rate compared to the market average.

#### Outstanding FCCBs:

Bartronics India Limited had issued Foreign Currency Convertible Bonds (FCCBs) for an aggregate sum of USD 50mn in January 2008. These bonds were due for redemption in February 2013. The company has appointed M/s Avista Advisory Group to assess all the options available with the company and finalize best suited approach in order to address the maturity. The options available with the company include restructuring the bonds i.e., rolling over the

bonds for next five years or replacing the bonds with fresh bonds, or redeeming all the bonds at a mutually agreeable price. With these available options, the Company, along with M/s Avista Advisory Group has got in touch with the bondholders and has initiated discussions which are at advanced stages now. The company had filed a request for an extension of the maturity of the bonds to 4th May, 2014 with Reserve Bank of India which was granted vide letter dated 21st February, 2014. The company has applied for further extension of the maturity date with Reserve Bank of India (RBI) and the company is waiting to hear from RBI to move forward. The company is confident of addressing the maturity of Bonds shortly.

**International Operations:**

The company had started international operations in order to have access to vast opportunities which are being provided. These operations which faced extremely challenging times in recent past, is now showing first signs of good traction and the demand is expected to grow this year. Apart from scouting for newer geographies and penetrating deeper into existing ones last year, your company had also initiated process to establish a common platform across all the operations across the globe which will have knowledge base of implementing projects. This will be linked to the GDC which will enable seamless sharing of knowledge and experience within the operations while ensuring that the ‘wheel is not invented twice’ which is expected to reduce implementation time of the projects. These initiatives are aimed at enhancing user experience in process of adding more value to the customer.

**Future Growth: Management has identified the following growth drivers:**

- A) Identification Solutions: With the consolidation of business around quality clients, your company expects to grow at a much faster rate after the period of consolidation
- B) E-Governance & Smart Card Manufacturing: The company has emerged as a market leader in the Financial Inclusion space. Clearly, this gives the company with clear earnings visibility for next five years coupled with higher growth rate. Internationally too, this is gaining importance with many developing and developed countries embracing this as their national agenda. Your company is fully prepared to exploit any such opportunities.
- C) International Operations: The current size of

international operations will enable the enterprise to have a high growth rate once the business environment returns to normalcy. Also, the common knowledge sharing platform will enable your company to scout for newer geographies without compromising on the delivery quality which will eventually fuel the growth.

**Human Capital**

Your company believes that the value of any enterprise is only as good as its Human Capital. It is very important to have your human capital updated with the latest technologies. During the year, as the company faced challenging business atmosphere and fewer growth opportunities, the period, the management thought was apt to have its human capital undergo technology advancement training, process improvement training and general management training. Management is aware that these initiatives do not yield results immediately however these activities will surely help the company stay ahead of the curve.

**Research and Development:** It was a year when the company concentrated even more on its Research and Development activities and has applied for patents for various implementation processes/technologies. These appeals are currently under considerations and the management is hopeful that some of these applications will result into increase in the number of patents the company holds which currently stands at 14.

**SWOT Analysis:**

**Strengths and Opportunities:** Your Company’s strength lies thoroughly in providing end to end solutions using most of the AIDC technologies. Apart from in-house Research and Development Center; your company has strong relationship with technology majors which help your company gain access to the latest of the technology which is available for commercial use. Your company being India’s only and one of few companies in the world to provide End to End solutions has resulted in lions share for the company in the domestic market. Even in the Financial Inclusion space; your company has come out as a dominant player with the prestigious project getting implemented in 60000 villages through your company. However, technologies under AIDC are still in acceptance stage in the country which has lot of room for deeper penetration of existing markets and also expansion into newer markets/ geographies. These provide huge potential for your company. Financial

Inclusion as an initiative of the Government of India and Reserve Bank of India are still in the early stages of the implementation in the country. It still needs to reach wider spectrum of citizens of India. Your company, already being a dominant player in this space identifies this as a potential growth opportunity. The projects won by the company are currently under implementation. Implementation cycle was divided into various stages and currently these have successfully entered transaction stage – the last phase after crossing testing stage successfully. Having entered this stage, the revenues generated by the company will be directly proportional to the number of transactions done by the citizen of respective villages. Management is aware that this is still early times and citizen may take some more time to be comfortable with the services offered. However, with time, as the volume of transactions increase, company will surely see healthy rise in its revenues.

#### Risks and Concerns:

##### 1. Technology Obsolescence

Products and solutions offered by the AIDC industry are likely to be affected by technology redundancy and obsolescence. Rapid advancement in micro processor based technologies has brought about frequent design improvements in the AIDC hardware rendering existing products less efficient. The prices of standard solutions and hardware have also declined over the years. The company needs to scan and update its product offerings to remain in demand and be cost effective.

##### 2. New capacity creation in Smart Cards manufacture

At present there are eight established manufacturers of Smart Cards, including Bartronics India Limited. With large avenues opening up in FI, E-Governance, Payment Systems and UIDAI, despite the entry barrier of high investment costs, new capacities and expansion of present capacities in smart cards may be expected. This would render the company open to severe price competition.

##### 3. Lack of local production of Hardware:

The industry is mostly dependent on imported hardware. Price changes, currency fluctuations, technology adaptation issues, delays in deliveries could affect the business adversely. The company needs to diversify the supplier base and enter into long term price contracts to meet such contingencies.

#### 4. Global Competition

Several foreign manufacturers and technology providers are eyeing the growing Indian AIDC potential for entry. In course of time, with their resources and access to latest technologies they may edge away local players. The company may have to consider business tie up with and equity investments in one or two global majors to secure its standing in the local markets.

#### Risk Mitigation:

The management of your company believes one of the best ways of risk mitigation is through diversification. Your company has diversified technology exposure thereby it has considerably reduced the risk of technology obsolescence. Your company has also entered into E-Governance space such as Financial Inclusion projects; thereby diversifying the services offered. After capturing most of the market share in the domestic market; your company has started providing solutions globally; thereby diversifying the geography of service provided. For the technology, your company has made significant investments towards self-reliance in technology setting up in-house centre of Excellence, besides one being contemplated in US. The company's smart card production facility is well balanced to produce cards for all major verticals concurrently. The company's Management Team is broad based, having strong technical, financial and administrative background and well experienced and capable of foreseeing and combating risk factors.

#### Discussion on financial performance with respect to operational performance:

Your Directors hereby report that the Company has achieved a turnover of Rs 17020.58 lakhs upto 31st March, 2015, consisting of Eighteen (18) months, as against the turnover of Rs. 21644.82 lakhs for the previous year ended 30th September, 2013 consisting of Twelve (12) months. The highlights of the financial results are given below:

#### CONSOLIDATED FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	Year 2013-15	Year 2012-13 (Restated)
Net Sales	10817.45	15325.82
Other Income	6203.12	6319.00
Total Income	17020.57	21644.82
Total Expenditure	15630.23	23502.56

EBIDTA	<b>1390.34</b>	(1857.75)
Interest	<b>7004.75</b>	5046.68
PBDT	<b>(5614.41)</b>	(6904.43)
Depreciation & Amortization	<b>5735.43</b>	5308.87
PBT	<b>(11349.84)</b>	(12213.30)
Tax Expense	<b>(1483.94)</b>	(4546.83)
PAT	<b>(9865.90)</b>	(7666.47)

**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

**Internal Control Systems:**

Your Company has a formal Internal Audit Process whereby deficiencies in the Internal Control Systems are regularly analyzed 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.

**CAUTIONARY STATEMENT:**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## REPORT ON CORPORATE GOVERNANCE

(As per Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy is that Corporate Governance is a process which enables the Company to operate in a systemic manner to meet its ethical, legal and business expectations and at the same time fulfill its social responsibilities, a sound Corporate Governance is critical to enhance and retain stakeholders' trust. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

The Company has complied with the requirements of the Corporate Governance code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as discussed herein below.

### II. BOARD OF DIRECTORS:

#### Composition of the Board of Directors & Procedure:

The Board of Directors along with its Committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

The Current Policy is to have an appropriate mix of executive, non-executive and independent directors with at least one woman director to maintain the independence of the board and to separate the board functions of governance and management.

The Board of Directors presently comprises of Five (5) Directors out of which One (1) is Managing Director, One (1) is Promoter & Non-Executive Director, Three (3) are Independent Directors. All Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

The number of Independent Directors are 3 which is in compliance with the requirements of Clause 49 of the Listing agreement. The number of Non-Executive Directors is more than 50% of the total number of Directors.

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 2013.

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted five Standing Committees, namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Management Committee, Risk Management Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

During the period 2013-15, Six (6) Board meetings were held on 29th November, 2013, 12th February, 2014, 14th May, 2014, 25th July, 2014, 14th November, 2014 and 20th January, 2015. The maximum time gap between any consecutive meetings did not exceed 120 days. The composition of the Board of Directors, their directorships details and attendance of each member at the meetings were as follows.

Sl. No.	Name of the Director	Other Directorships*	Committee positions in other companies****		No. of Board Meetings attended out of 6 meetings held during the period	Attended last A.G.M
			As Chairman	As member		
<b>Executive Director- Non-Promoter Group</b>						
1.	Mr. Sudhir Sundar Rao Managing Director	3	-	-	6	Yes
<b>Promoter-Non-Executive Director</b>						
2.	Mr. A. B Satyavas Reddy	7	-	-	5	No
<b>Independent &amp; Non-Executive Directors</b>						
3	Mr. K. Udai Sagar	4	-	-	6	Yes
6.	Mrs. A. Syamala Reddy	-	-	-	-	No
7.	Mr. C. Prakash Ramaiah	11	-	-	5	No

\* including private limited Companies

\*\*\*\* Only Audit and Stakeholder Relationship Committees considered.

#### **Change in Composition of Board of Directors since the date of last AGM held on 30th December, 2013:**

1. Mr. C. Prakash Ramaiah has been appointed as Additional Director(Independent) w.e.f., 12.02.2014.
2. Mrs. A Syamala Reddy has been appointed as Additional Director w.e.f., 30th March, 2015.
3. Mr. Sudhir Sundar Rao has been re-appointed as Managing Director w.e.f 20th August, 2014.
4. EXIM Bank has withdrawn the nomination of Mr. A. Subrahmanyam w.e.f. 10th February, 2014.

### **III. BOARD COMMITTEES**

#### **1. Audit Committee:**

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated 17th April, 2014 for amendment to Equity Listing Agreement (which is effective from 1st October, 2014), the new terms of reference for the Audit Committee and there upon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III) (D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49(III) (C) of the Listing Agreement.

The main objective of the Audit Committee of your Company is to monitor and effectively supervise the financial reporting process of your Company with a view to provide accurate, timely and proper disclosures. The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement, Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

The Board Functions of the Audit Committee includes, reviewing the adequacy of Internal Control Systems and the Internal Audit Reports and their compliance thereof.

During the period 2013-15, Six meetings of the Audit Committee were held on 29th November, 2013, 12th February, 2014, 14th May, 2014, 25th July, 2014, 14th November, 2014 and 20th January, 2015. The necessary quorum was present at the meetings.

The Audit Committee of the Company comprises of three members, one of them, the Chairman is an Independent Director, one of the members is a promoter director and one is Non-executive Independent Director. All the members of the Audit Committee are financially literate.



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

S. No.	Name of Director	Designation	No. of Meetings Attended
1.	Mr. K. Udai Sagar	Chairman	6
2.	Mr. C. Prakash Ramaiah*	Member	5
3.	Mr. A.B. Satyavas Reddy	Member	5
4.	Mr. A. Subrahmanyam**	Member	1

\*Mr. C. Prakash Ramaiah has been appointed as Member of the Audit Committee with effect from 12th February, 2014.

\*\*EXIM Bank has withdrawn the nomination of Mr. A. Subrahmanyam w.e.f. 10th February, 2014.

There is no other change in the composition of Audit Committee during the year.

Audit Committee meetings are attended by the representatives of Statutory Auditors, and representatives of Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

## ii. Nomination and Remuneration Committee

The existing 'Remuneration Committee' has been renamed as 'Nomination and Remuneration Committee' in compliance with Section 178 of the Companies Act, 2013.

The Scope of Nomination & Remuneration Committee is to review the remuneration package payable to Executive Director(s) and Executives in the top level Management of the Company and gives its recommendation to the Board and acts in terms of reference of the Board from time to time.

The Remuneration Committee of your Company comprises of three (3) members, all of them are non-executive directors, the chairman of the committee being an independent director.

During the period 2013-15, one meeting of the Nomination and Remuneration Committee were held on 20th August, 2014. The necessary quorum was present at the meeting.

S. No.	Name of Director	Designation
1.	Mr. K. Udai Sagar	Chairman
2.	Mr. C. Prakash Ramaiah*	Member
3.	Mr. A.B. Satyavas Reddy	Member
4.	Mr. A. Subrahmanyam**	Member

\*Mr. C. Prakash Ramaiah has been appointed as Member of the Audit Committee with effect from 12th February, 2014.

\*\*EXIM Bank has withdrawn the nomination of Mr. A. Subrahmanyam w.e.f. 10th February, 2014.

## Remuneration policy

The remuneration recommendations about the remuneration of Directors are subject to the approval of the Members of the Company and the remuneration of the key managerial persons is to be recommended by the Nomination and Remuneration Committee to the Board.

## Remuneration paid to the Executive Directors & Non-Executive Directors during the period:

No remuneration was paid to the Managing Director during the period.

No remuneration was paid to the Non-Executive Directors other than sitting fee.

**Sitting Fee details:**

Sl. No	Name of the Director	Sitting fee paid During the period
1.	Mr. K. Udai Sagar	60,000
2.	Mr. C. Prakash Ramaiah	50,000
3.	Mr. A. Subrahmanyam*	10,000

The Company pays a sitting Fees of Rs. 5000 /- for each meeting of the Board and sub-committees attended by them.

\*EXIM Bank has withdrawn the nomination of Mr. A. Subrahmanyam w.e.f. 10th February, 2014.

**Shareholding of Directors as on 31st March, 2015:**

The following table sets out the shareholdings of the Directors in the Company as at 31st March, 2015:

Name of the Director	Designation	No. of Shares held
Mr. Sudhir Sundar Rao	Managing Director	4,68,996
Mr. A. B. Satyavas Reddy	Promoter and Non-Executive	10,50,797
Mr. C. Prakash Ramaiah	Independent and Non-Executive	0
Mrs. A. Syamala Reddy	Independent and Non-Executive Director	0
Mr. K. Udai Sagar	Independent and Non-Executive Director	0

**iii. Stakeholders Relationship Committee:**

The existing 'Share Transfer Committee' & 'Shareholders Grievance Committee' has been reconstituted as 'Stakeholders Relationship Committee' in compliance with Section 178 (5) of the Companies Act, 2013. As per the requirements of SEBI Circular dated 17th April, 2014 for amendment to Equity Listing Agreement (which is effective from 1st October, 2014), the new terms of reference for the Stakeholders Relationship Committee and there upon the revised terms of reference of the Stakeholders Relationship Committee are in conformity with the requirements of Clause 49 (VIII) (E)(4) of the revised Listing Agreement and Section 178(5) of the Companies Act, 2013.

The Scope of Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

The Stakeholders Relationship Committee of your Company comprises of three (3) members, all of them are non-executive directors, the chairman of the committee being an independent director.

S. No.	Name of Director	Designation
1.	Mr. K. Udai Sagar	Chairman
2.	Mr. C. Prakash Ramaiah	Member
3.	Mr. A.B. Satyavas Reddy	Member

**Compliance Officer:**

Mr. Sudhir Sundar Rao, Managing Director is designated as Compliance Officer of the Company.

**No. of Shareholders Complaints received so far during the period:**

Nature of queries/complaints	Received	Resolved	Un resolved
No.of requests for change of Address	0	0	0
No.of requests for transmission	0	0	0
Non receipt of share certificates/bonus shares	0	0	0
Revalidation of Dividend warrants	14	14	0
Letters from SEBI & Stock Exchanges	0	0	0
Issue of Duplicate Share Certificates	0	0	0
Non receipt of Demat Confirmations/ Rejections	0	0	0
Others	5	5	0
<b>TOTAL</b>	<b>19</b>	<b>19</b>	<b>0</b>

**iv. Management Committee:**

The Management Committee comprises of Mr. K. Udai Sagar and Mr. Sudhir Sundar Rao. The role, terms of reference, the authority and powers of the management committee are in conformity with the provisions of the Companies Act, 2013.

S. No.	Name of Director	Designation
1.	Mr.Sudhir Sundar Rao	Chairman
2.	Mr. K. Udai Sagar	Member

**v. Risk Management Committee**

As per revised Clause 49(VI) of the Listing Agreement entered by the Company with the Stock Exchanges, the Company is required to constitute a Committee viz., 'Risk Management Committee' of the Board of Directors of the Company consisting of three or more Director. In this connection the Committee was constituted with the following Directors in the Board Meeting held on 14th May, 2015:

Mr. A. B. Satyavas Reddy, Promoter & Non-Executive Director

Mr. K. Udai Sagar

Mr. C. Prakash Ramaiah, Independent & Non-Executive Director

The Risk Management Committee shall be responsible for framing, implementing & monitoring the risk management plan of the Company.

**IV. 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
2012-13	30th December, 2013	Registered Office of the Company Survey No. 351, Raj Bollarum Village, Medchal Mandal RR Dist, AP – 501401	11.00 a.m	1. To appoint Mr. K. Udai Sagar as Director of the Company.
2011-12	24th December, 2012	Registered Office of the Company Survey No. 351, Raj Bollarum Village, Medchal Mandal RR Dist, AP – 501401	11.00 a.m.	Nil
2010-11	29th September, 2011	Registered Office of the Company Survey No. 351, Raj Bollarum Village, Medchal Mandal, RR Dist, AP – 501401	11.00 a.m	1. To appoint Mr. Jimmy R Anklesaria as Director of the Company. 2. To appoint M/s Ram & Associates as Auditors for USA Branch. 3. To allot Shares on preferential basis not exceeding Rs. 4 crores. 4. To issue GDRs/ADRs, FCCBs/FCEBs convertible into equity not exceeding USD 100 Million.

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 29th June, 2015.

**V. DISCLOSURES:****1. Materially Significant related party transactions:**

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management etc., All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

The Board has adopted Related Party Transactions policy and the same will be available at Company's Website : [www.bartronics.com](http://www.bartronics.com)

**2. Details of Statutory Non-Compliances:**

There have not been any non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authorities, on any material related to capital markets, during the period under review.

**3. Management Discussion and Analysis Report:**

Management Discussion and Analysis Report form a part of this Annual Report and is in accordance with the requirements as laid down in Clause 49 of the Listing Agreement entered with the Stock Exchanges.

**4. Clause 49(II)(E): Code of conduct:**

The Company has adopted a Code of Conduct as required under Clause 49 (II) (E) of the Listing Agreement entered with the Stock Exchanges, which applies to all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed their compliance with the Code on annual basis and their confirmations have been received in this regard. The Code of Conduct has been posted on the Company's website. A separate declaration to this effect signed by the Managing Director is attached.

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Board Members and Senior Personnel have affirmed the compliance with the Code.

**5. Clause 49(VIII)(B): Disclosure of Accounting Treatment:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently and comply with material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013.

**6. Clause 49(II)(B):**

- a. None of the Independent/Non-Executive Directors have pecuniary relationship or transactions with the Company which is in the judgment of the Board may affect the independent of the Director except receiving sitting fee for attending Board/Committee meetings.

**7. Clause 49(VIII)(E): Shareholders Information:**

- a. Appointment/Re-appointment of Directors: The brief resume of directors retiring by rotation and appointment of Independent Directors, including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership of committees of the Board is appended to the Notice for calling Annual General Meeting.
- b. None of the Directors are related to each other.

**8. CEO & Managing Director Certificate:**

Certification by the Managing Director and Chief Executive Officer of the Company as required under Clause 49 of the Listing Agreement is provided at the end of the Corporate Governance Report.

**9. Risk Management:**

The management of the Company has identified some of the major areas of concern having inherent risk viz., Foreign Currency Fluctuation, Client Concentration, Technology Risks and Credit Control. The process relating to minimizing the above risks has already been initiated at the different levels of management and the same is expected to be further strengthened in the financial year 2015-16.

**10. Adoption of non mandatory requirements:**

Besides mandatory requirements under Clause-49 of the Listing Agreement your Company has voluntarily constituted a Remuneration Committee to consider and recommend the remuneration of Executive Directors. The Company also endeavors to fully comply with all other non mandatory requirements of Clause 49 as well.

**11. It is confirm that no personnel has been denied access to the Audit Committee.****12. Means of communication:**

- i) 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) and the same will be updated on the Company's website [www.bartronics.com](http://www.bartronics.com).
- ii) Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares is listed.
- iii) Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders in the prescribed manner and e-mail.

**iv) Company's Corporate Website :**

The Company's website [www.bartronics.com](http://www.bartronics.com) is a comprehensive reference on Bartronics India Limited's management, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The Section on 'Investors' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions.

**v) NSE Electronic Application Processing System (NEAPS):**

NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern, Financial Results and Corporate Governance Report are also filed electronically on NEAPS.

**vi) BSE Online (Listing.bseindia.com):**

It is a web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report and Financial Results are also filed electronically as pdf attachments.

**vii) Annual Report:**

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

**viii) SEBI Complaints Redress System (SCORES):**

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.

**ix) Chairman's Communique:**

Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

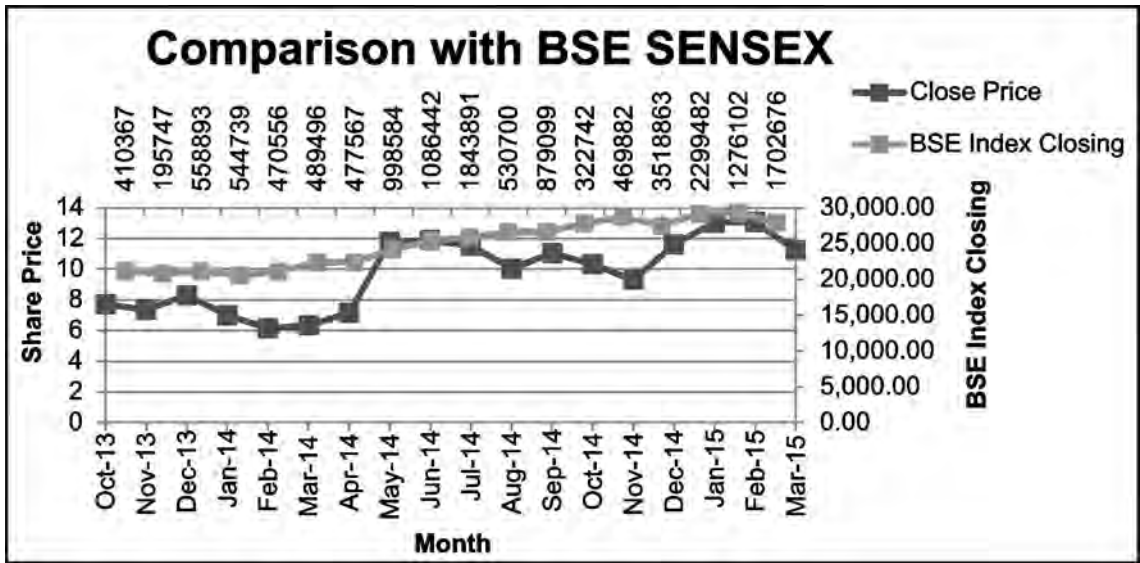
**VI. GENERAL SHAREHOLDERS' INFORMATION:**

1.	Date (AGM)	29th June, 2015
2.	Time	11:00 a.m.
3.	Venue	Survey No. 351, Raj Bollaram Village, Medchal Mandal, R R Dist, Telangana – 501 401
4.	Period	2013-15 (Consisting of 18 months)
5.	Book Closure Date	Friday 26th June, 2015 (one day only)
6.	Dividend Payment Date	Not Applicable
7.	Listing (Equity) on Stock Exchanges	<b>i. BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. <b>ii. National Stock Exchange of India Ltd Exchange (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051.
8.	Listing of FCCBs	The FCCBs of the Company are listed on the Singapore Stock Exchange.
9.	Payment of Listing Fees	The Company has paid annual listing fees to each of the above Stock Exchanges for the period 2013-15.
10.	StockCode	BSE Script Code : 532694
		NSE Script Symbol : BARTRONICS
		Demat ISIN : INE855F01034
		CIN : L29309AP1990PLC011721
11.	Company's Website	www.bartronics.com
11.	E-Voting Facility	www.evotingindia.com (opens at 9:00 a.m. on 24th June, 2015 and closes at 5:00 p.m. on 28th June, 2015 and the cut-off date is 19th June, 2015).
12.	Share Transfer System	Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently they are completing the process of transfer within a period prescribed, subject to the documents being valid and complete in all respects.

**i. Market Price Data:**
**a. BSE**

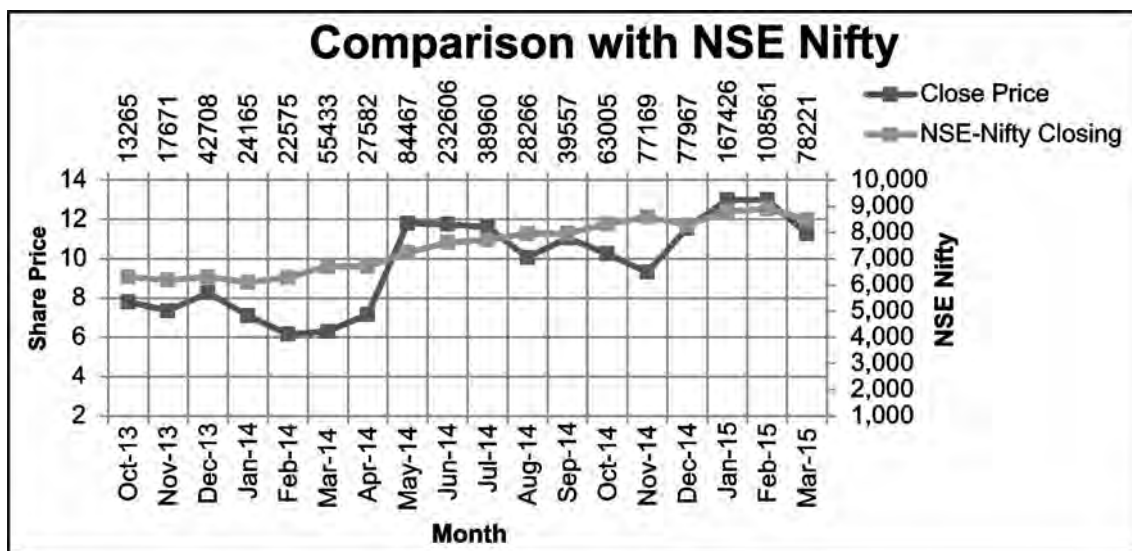
Month	High Price	Low Price	Close Price	No. of Shares Traded	BSE Index Closing
Oct-13	8.59	6.11	7.72	410367	21164.52
Nov-13	8.1	6.76	7.35	195747	20791.93
Dec-13	9.19	6.75	8.29	558893	21170.68
Jan-14	9.82	6.91	6.99	544739	20513.85
Feb-14	7.95	5.52	6.15	470556	21120.12
Mar-14	6.49	5.2	6.35	489496	22386.27
Apr-14	8.49	6.3	7.17	477567	22417.80
May-14	11.79	6.68	11.79	998584	24217.34
Jun-14	15.8	10.51	11.89	1086442	25413.78
Jul-14	14.9	10.9	11.52	1843891	25894.97
Aug-14	12.09	9.7	10.04	530700	26638.11
Sep-14	14.98	9.87	11.06	879099	26630.51
Oct-14	11.25	9.9	10.33	322742	27865.83
Nov-14	12.15	9.02	9.29	469882	28693.99
Dec-14	15.56	8.7	11.6	3518863	27499.42
Jan-15	16.45	11	13.05	2299482	29182.95
Feb-15	14.4	11.05	13.06	1276102	29361.50
Mar-15	15.47	10	11.24	1702676	27957.49





#### B. NSE

Month	High Price	Low Price	Close Price	No. of Shares Traded	NSE-Nifty Closing
Oct-13	8	7.6	7.8	13265	6299.15
Nov-13	7.35	6.8	7.35	17671	6176.10
Dec-13	8.25	7.75	8.25	42708	6304.00
Jan-14	7.2	6.9	7.1	24165	6089.50
Feb-14	6.3	6.05	6.15	22575	6276.95
Mar-14	6.3	5.9	6.3	55433	6704.20
Apr-14	7.65	7.15	7.15	27582	6696.40
May-14	11.8	11.25	11.8	84467	7229.95
Jun-14	11.9	11.2	11.75	232606	7611.35
Jul-14	11.6	10.6	11.6	38960	7721.30
Aug-14	10.4	10	10.05	28266	7954.35
Sep-14	11.45	10.45	11.05	39557	7964.80
Oct-14	10.55	10.05	10.25	63005	8322.20
Nov-14	9.9	9.25	9.3	77169	8588.25
Dec-14	11.85	11.3	11.55	77967	8282.70
Jan-15	13.5	12.85	13	167426	8808.90
Feb-15	13.7	12.8	13	108561	8901.85
Mar-15	11.65	11.2	11.25	78221	8491.00



ii.) **Dematerialization of Shares:**

99.99% of the Company's Paid-up capital has been dematerialized upto 31.03.2015 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	2,38,36,292	70.01
CDSL	1,02,12,377	29.99
Physical	192	0.00
Total	3,40,48,861	100.00

100% of the promoters shareholding is in DEMAT.

iii) **Distribution of Shareholding:**

As on 31st March, 2015, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shares	% of Shareholdings	No. of Shareholders	% of Shareholders
1. Upto - 5,000	60,14,057	17.66	42,072	83.12
2. 5,001 - 10,000	35,65,737	10.47	4,333	8.56
3. 10,001 - 20,000	32,02,100	9.40	2,087	4.12
4. 20,001 - 30,000	19,15,847	5.63	738	1.46
5. 30,001 - 40,000	13,43,690	3.95	369	0.73
6. 40,001 - 50,000	14,83,438	4.36	312	0.62
7. 50,001-1,00,000	29,06,753	8.54	396	0.79
8. 1,00,001 and above	1,36,17,239	40	308	0.604
Total	3,40,48,861	100	50,615	10.00

iv. **Shareholding pattern as on 31st March, 2015:**

S. No.	Category	No. of Share Holders	No. of Shares	% to Equity
1	Promoters and their Relatives	4	42,69,190	12.54
2	Bodies Corporate	1,702	35,12,556	10.32
3	Public	48,902	2,52,28,055	74.09
4	Foreign Bodies Corporate	1	500	0.00
5	Financial Institutions/banks	2	10,38,560	3.05
6	Custodians against Depository receipts	0	0	0
	Total	50,611	3,40,48,861	100

v) **Outstanding convertible instruments**

- a. 500 Foreign Currency Convertible Bonds were outstanding for conversion as on 30.09.2013.
- b. Apart from this no other GDRs/ADRs and warrants were outstanding which may have an impact on equity.

vi) **Plant Location :**

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

vii) **Address for Communication:**

Registered office	Corporate Office	Registrars and Share Transfer Agents
Survey No. 351, Raj Bollaram Village, Medchal, Ranga Reddy District, Telangana – 501401. Email: info@bartronics.com	Suite # 201 & 202, Ashoka Capitol, Road No-2, Banjara Hills, Hyderabad, Telangana – 500034. Email: info@bartronics.com	Bishare Services Private Limited, 306, Right Wing, 3rd Floor, AmrutaVille, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082. Phone No.040-23374967. Email: bsshyd@bigshareonline.com

viii) **Declaration in terms of amended Clause 49(II)(E)(2) of Listing Agreement:**

It is here by confirmed that all the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors for period 2013-15.

**Sudhir Sundar Rao**  
Managing Director

Place: Hyderabad  
Date: 20th May, 2015

## CEO & MD CERTIFICATION

We, Sudhir Sundar Rao, Managing Director and Pundarika Bibireddy, CEO, to the best of our knowledge and belief, do hereby certify that

- 1) We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 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 volatile of the Company's code of conduct.
- 3) We accept the responsibility for establishing and maintaining internal controls for the 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 the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

As required by Sub Clause IX of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial period ended 31st March, 2015, that the Company has complied with the requirements mentioned in the said sub clause.

Place: Hyderabad  
Date: 20th May, 2015

**Sudhir Sundar Rao**  
Managing Director

**Pundarika Bibireddy**  
Chief Executive Officer

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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of **Bartronics India Limited**

I have examined the compliance conditions of Corporate Governance by Bartronics India Limited, Hyderabad for the period ended on 31st March, 2015 (consisting of 18 months from 1st Oct, 2013 to 31st Mar, 2015), 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 Investors Grievance Committee.

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

Place: Hyderabad  
Date : 20th May, 2015

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

## INDEPENDENT AUDITOR'S REPORT

To The Members of BARTRONICS INDIA LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BARTRONICS INDIA LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period 01-10-2013 and ended on 31-03-2015, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Unaudited returns of the branches for the year ended on that date unaudited of the Company's branches at USA and Hong Kong.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

- a. Reference is invited to Note 10 of the financial statements, the company has not provided interest on unsecured loans as terms are not clearly available with the Company and consequently uncertainty arises in Financial Statements as to the exact amount.
- b. Reference is invited to Note 15(i)(a) of the financial statements, the Company's capital advances to the extent of Rs.9,062.09 Lakhs. We are unable to ascertain whether such balances are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount
- c. Note 17 forming part of the financial statements regarding the Trade Receivables to the extent of Rs.81,264.11 Lakhs are more than three years old and in respect of which the company provided only Rs.7,030.67 lakhs. We are unable to form an opinion on the extent to which the debts may be recoverable.
- d. Note 32 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs.31,302.20 Lakhs which has fallen due as of February 2013 and the company has defaulted the payments even after the expiry of extended time sought by it from the RBI.
- e. Without qualifying our opinion, we invite attention to Note no 43 forming part of the financial statements regarding the uncertainties relating to MCD Project – "Apke Dwar Project", the matter is in arbitration.  
Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For T.Raghavendra & Associates**  
Chartered Accountants  
(FRN -003329S)

Place: Hyderabad  
Date: 20-05-2015

**T. Raghavendra**, Proprietor  
(Membership No.023806)



### Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Bartronics India Limited for the period 01-10-2013 to 31-03-2015. We report that:

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company is in the process of re-constructing its fixed assets register with a view towards reflecting full particulars including quantitative details and situation of the fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Some of the fixed assets were physically verified, in phases, by the Management during the year as per the regular program of verification, which in our opinion is not reasonable having regard to the size of the company and the nature of its assets. In respect of the assets at third party locations, confirmations have been received. In view of the fact that the fixed assets register is in the process of re-construction, 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-construction of the register is completed
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Yes
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Yes
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes
(iii)	(a) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No
	(b) whether receipt of the principal amount and interest are also regular; and	Not Applicable
	(c) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable
(iv)	is there an adequate 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. Whether there is a continuing failure to correct major weaknesses in internal control system.	Yes

(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits during the reporting period.																			
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	The Company does not maintain the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013																			
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	No, the undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2015 for a period of more than six months from the date becoming payable are as follows Central Sales tax (2010-11) Rs.314,256/- Central Sales tax (2011-12) Rs.590,577/- Central Sales tax (2012-13) Rs.476,090/-																			
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	Yes, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows: <table border="1" data-bbox="749 1002 1248 1184"> <thead> <tr> <th data-bbox="749 1002 934 1066">Nature of Dues</th> <th data-bbox="941 1002 1050 1066">Financial Year</th> <th data-bbox="1057 1002 1140 1066">Rs. In Lakhs</th> <th data-bbox="1146 1002 1248 1066">Pending Before</th> </tr> </thead> <tbody> <tr> <td data-bbox="749 1066 934 1093">Income tax</td> <td data-bbox="941 1066 1050 1093">2007-08</td> <td data-bbox="1057 1066 1140 1093">1268.89</td> <td data-bbox="1146 1066 1248 1093">ITAT</td> </tr> <tr> <td data-bbox="749 1093 934 1121">Fringe Benefit tax</td> <td data-bbox="941 1093 1050 1121">2007-08</td> <td data-bbox="1057 1093 1140 1121">667.66</td> <td data-bbox="1146 1093 1248 1121">ITAT</td> </tr> <tr> <td data-bbox="749 1121 934 1184">Income tax</td> <td data-bbox="941 1121 1050 1184">2009-10</td> <td data-bbox="1057 1121 1140 1184">35.14</td> <td data-bbox="1146 1121 1248 1184">CIT- Appeals</td> </tr> </tbody> </table>				Nature of Dues	Financial Year	Rs. In Lakhs	Pending Before	Income tax	2007-08	1268.89	ITAT	Fringe Benefit tax	2007-08	667.66	ITAT	Income tax	2009-10	35.14	CIT- Appeals
Nature of Dues	Financial Year	Rs. In Lakhs	Pending Before																		
Income tax	2007-08	1268.89	ITAT																		
Fringe Benefit tax	2007-08	667.66	ITAT																		
Income tax	2009-10	35.14	CIT- Appeals																		
	(c) whether the amount required to be transferred to in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	No amount required for transferring to investor education and protection fund																			
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company has accumulated losses at the end of the financial year, The accumulated losses are less than fifty per cent of its net worth and has incurred cash losses in the current financial year and also incurred cash losses in the financial year immediately preceding such financial year.																			
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	the Company has not paid principal, and interest of 11,698.83 lakhs and 7,319.77 lakhs respectively to banks and financial institutions as at the balance sheet date details as follows:																			

Sl. No.	Name of the Bank / Financial Institutions	Installment Type	Principal Overdue	Interest Overdue	Due Since (No. of installments)
1.	Andhra Bank	Monthly	3,657.15	2,274.21	24
2.	Bank Of Boarda	Quarterly	1,623.59	1,013.16	12
3.	Bank of India	Quarterly	2,791.08	1,704.97	8
4.	Indian bank	Quarterly	1,199.41	711.65	13
5.	LIC	Quarterly	2,427.60	1,615.78	17
<b>Totals</b>			<b>11,698.83</b>	<b>7,319.77</b>	

(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	The Company has not given any guarantees to others during the reporting period.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	The Company has not obtained any term loan during the reporting period.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No

**For T.Raghavendra & Associates**

Chartered Accountants

(FRN -003329S)

**T. Raghavendra**

Proprietor

(Membership No.023806)

Place: Hyderabad

Date: 20-05-2015

**BALANCE SHEET AS AT 31st MARCH 2015**

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 31 Mar 2015	For the Previous Reporting Date 30 Sep 2013 (Restated)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	3	3,404.89	3,404.89
b) Reserves and surplus	4	14,870.75	25,164.36
		<u>18,275.64</u>	<u>28,569.25</u>
<b>2 Non- Current Liabilities</b>			
a) Long-term borrowings	5	2.28	1,545.51
b) Deferred tax liabilities (net)	6	-	222.98
c) other non current liabilities		-	-
d) Long term Provisions	7	227.27	202.13
		<u>229.55</u>	<u>1,970.62</u>
<b>3 Current Liabilities</b>			
a) Short-term borrowings	8	23,198.16	27,684.84
b) Trade payables	9	26,205.27	25,932.82
c) Other current liabilities	10	61,633.14	55,000.10
d) Short-term provisions	11	15,129.56	15,314.20
		<u>1,26,166.13</u>	<u>1,23,931.95</u>
		<u>1,44,671.32</u>	<u>1,54,471.82</u>
<b>TOTAL</b>			
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
a) Fixed assets			
i) Tangible assets	12 A	5,308.23	7,669.68
ii) Intangible Assets	12 B	1,151.84	4,338.33
iii) Capital work in progress		1,355.54	1,340.56
		<u>7,815.61</u>	<u>13,348.57</u>
b) Non-current investments	13	30,217.99	30,217.99
c) Deferred tax Asset (net)	14	1,305.96	-
d) Long-term loans and advances	15	14,723.86	15,008.36
Good will on consolidation		-	-
		<u>54,063.41</u>	<u>58,574.91</u>
<b>2 Current Assets</b>			
a) Current investments			
b) Inventories	16	715.10	543.30
c) Trade receivables	17	85,322.26	91,061.48
d) Cash and bank balances	18	406.41	340.72
e) Short-term loans and advances	19	647.02	595.33
f) Other current assets	20	3,517.11	3,356.07
		<u>90,607.90</u>	<u>95,896.90</u>
		<u>1,44,671.32</u>	<u>1,54,471.82</u>
<b>TOTAL</b>			

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For T.Raghavendra & Associates**  
Chartered Accountants  
(FRN : 003329S)

**T.Raghavendra**  
(Mem No. 023806)  
Place : Hyderabad  
Date : 20th May 2015

For and on behalf of the Board of Directors

**Sudhir Sundar Rao**  
Managing Director  
Place : Hyderabad  
Date : 20th May 2015

**A. B. Satyavas Reddy**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2015**

Rupees in Lakhs

Particulars	Note No	For the Eighteen Months period ended 31 Mar 2015	For the Year Ended 30 Sep 2013 (Restated)
<b>I. Revenue</b>			
Revenue from operations (gross)		3,930.12	5,080.62
Less: Excise duty		-	36.77
Revenue from operations (net)	21	3,930.12	5,043.85
Other income	22	456.94	6,319.00
<b>Total revenue</b>		<b>4,387.06</b>	<b>11,362.85</b>
<b>II. Expenses</b>			
Cost of materials consumed	23 A	1,906.52	284.44
Purchase of stock-in-trade	23 B	-	3,776.66
Change in inventories of finished goods work in progress and stock-in-trade	23 C	(121.88)	(14.89)
Employee benefits expense	24	852.07	863.10
Finance costs	25	7,004.75	5,046.14
Depreciation and amortisation expense	12A&12B	5,721.11	5,276.84
Other expenses	26	1,693.26	7,589.75
Prior Period Expenses		104.98	-
<b>Total expenses</b>		<b>17,160.81</b>	<b>22,822.03</b>
<b>III. Profit / (Loss) before tax (I-II)</b>		<b>(12,773.75)</b>	<b>(11,459.19)</b>
<b>IV. Tax expense:</b>			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Less : Reversal of Deferred tax liabilities		1,528.94	3,470.36
d) Less : Reversal of Excess Income tax Provided in Previous Years		-	1,076.47
		<b>(1,528.94)</b>	<b>(4,546.83)</b>
<b>V. Profit for the year/period (III-IV)</b>		<b>(11,244.81)</b>	<b>(6,912.36)</b>
Earnings per equity share of Rs.10 Each			
Basic Rs.		<b>(33.03)</b>	(20.30)
Diluted Rs.		<b>(33.03)</b>	(20.30)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For T.Raghavendra & Associates**

Chartered Accountants

(FRN : 003329S)

**T.Raghavendra**

(Mem No. 023806)

Place : Hyderabad

Date : 20th May 2015

**Sudhir Sundar Rao**

Managing Director

Place : Hyderabad

Date : 20th May 2015

**A. B. Satyavas Reddy**

Director

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2015**

Rs.in Lakhs

Particulars	Eighteen Months Period ended 31 March 2015	Year Ended 30 Sep 2013 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit & Loss Account	(12,773.75)	(11,459.19)
<b>Adjustments for</b>		
Depreciation & Amortisation	5,721.11	5,276.84
Reversal of Income tax	-	1,076.47
Financial Expenses	7,004.75	5,046.14
Interest income	(3.14)	(25.08)
Loss on Sale of Fixed Assets	1.42	-
Provisions for Advances/Claims/Debts	-	6,585.26
Unrealised Foreign Exchange loss	274.99	(6,479.01)
<b>Operating Profit Before Working Capital Changes</b>	<b>225.38</b>	<b>21.43</b>
<b>Adjustments for</b>		
Decrease/(Increase) in Inventories	(171.80)	(35.46)
Increase in Trade Receivables	5,241.89	(1,848.99)
Decrease/(Increase) in Long & Short Term Loans & Advances	67.10	2,072.65
Increase/(Decrease) in Current & Non Current Liabilities	5,334.79	305.91
Increase/(Decrease) in Long & Short Term Provisions	25.14	(1,688.65)
	<b>10,722.49</b>	<b>(1,173.11)</b>
Other Income	-	7.77
Exceptional Items	-	-
Cash Generated from Operations	<b>10,722.49</b>	<b>(1,165.34)</b>
<b>Taxes Paid</b>	<b>-</b>	<b>-</b>
<b>Cash from Operating Activities (A)</b>	<b>10,722.49</b>	<b>(1,165.34)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(201.97)	(138.11)
Sale of Fixed Assets	4.36	-
Decrease/(Increase) in Capital Work In progress	(14.98)	214.98
Increase/(Decrease) in Other Reserves	974.21	-
Advance to Subsidiaries	2.42	(27.50)
Advance from Subsidiaries	-	5,518.95
Interest Received	3.14	17.31
<b>Cash from Investment Activities (B)</b>	<b>767.18</b>	<b>5,585.63</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Premium Received	-	(1,194.91)
Increase/ (Decrease) in Loan Funds	(4,234.55)	1,842.44
Dividend & Taxes paid	(184.64)	-
Interest & Financial Charges	(7,004.75)	(5,046.14)
<b>Net Cash from financing activities (C)</b>	<b>(11,423.98)</b>	<b>(4,398.65)</b>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>	<b>65.69</b>	<b>21.64</b>
Opening Cash and Cash Equivalents	340.72	319.08
<b>Cash and Cash Equivalent as on 31.03.2015</b>	<b>406.41</b>	<b>340.72</b>

**Notes:**

- The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements.
- Cash and Cash Equivalents include Rs 248.25 lakhs (30.09.2013: Rs. 245.20 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
- Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
- Figures in bracket represents cash outflow.

In terms of our report attached

For and on behalf of the Board of Directors

**For T.Raghavendra & Associates**Chartered Accountants  
(FRN : 003329S)**T.Raghavendra**  
(Mem No. 023806)Place : Hyderabad  
Date : 20th May 2015**Sudhir Sundar Rao**  
Managing DirectorPlace : Hyderabad  
Date : 20th May 2015**A. B. Satyavas Reddy**  
Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company was incorporated as a private limited Company by the name of Super Bar Tronics Private Limited on September 10, 1990. Further, the Company changed its name from Super Bartronics Private Limited to Super Bartronics Limited and subsequently converted into a Public Limited Company w.e.f. July 27, 1995. The name of the Company was changed to Bartronics India Limited on January 1, 1996.

Bartronics is currently engaged in providing solutions based on Bar Coding, one of the oldest AIDC technologies. Since then, in the past two decades, it has been pioneer in introducing newer technologies and solutions in India based on Biometrics, RFID, POS, EAS, and Smart Cards etc.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### a. 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### b. 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.

#### c. 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 on Straight Line Method as per the rates and in the manner provided in the Schedule II of the Companies Act, 2013.

##### 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	15.83% (6 Years)
Software	15.83% (6 Years)

#### d. 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 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.

#### e. 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.

**f. 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.

**g. 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 Stock in Progress	Direct Material cost plus appropriate overheads

**h. 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.

**i. 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.

**j. 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.

**k. 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. 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 yearly 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.

**l. 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.

**m. 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.

**n. 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.

**o. Redemption Premium:**

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

## NOTES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 3: Share capital</b>		
Authorised		
i) 110,000,000 (30.09.2013:110,000,000) Equity Shares of Rs.10 each	11,000.00	11,000.00
<b>Issued, subscribed and fully paid up</b>		
i) 34,048,861 (30.09.2013 : 34048861) Equity Shares of Rs.10 each	3,404.89	3,404.89
<b>Total</b>	<b>3,404.89</b>	<b>3,404.89</b>

(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 & Loss account)

**Notes:**

- i) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year / period**

Particulars	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	No.of Shares	Rupees in Lakhs	No.of Shares	Rupees in Lakhs
<b>a) Equity</b>				
Shares outstanding at the beginning of the Year/Period	340,48,861	3,404.89	340,48,861	3,404.89
Shares issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	340,48,861	3,404.89	340,48,861	3,404.89

- ii) **Details of shares held by each share holder holding more than 5% shares**

Name of the share holder	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	2,200,000	6.46	2,200,000	6.46
	2,200,000		2,200,000	

PARTICULARS	Rupees in Lakhs	
	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 4: Reserves and surplus</b>		
i) Capital reserve		
Opening balance	4,465.25	4,465.25
Add: Additions during the year/period ( note )	974.21	-
Closing balance	5,439.46	4,465.25
ii) Securities premium account		
Opening balance	17,703.99	18,898.90
Add: Premium on conversion of FCCB's	-	-
Less: Premium on Redemption of FCCB's	-	1,194.91
	17,703.99	17,703.99
iv) General reserve	125.00	125.00
v) Surplus in statement of profit and loss		
Opening balance	2,870.12	9,782.48
Add: Profit for the year/period	(11,244.81)	(6,912.36)
Less: Appropriations	-	-
Proposed dividend	-	-
Dividend distribution tax	-	-
Less : Adjustment (Retain Earnings - Fixed Assets)	(23.01)	-
Closing balance	(8,397.70)	2,870.12
<b>Total</b>	<b>14,870.75</b>	<b>25,164.36</b>

In this Period the company has arrived at an "One time settlement" (OTS) of dues with some of the lenders, as a result the lenders have agreed to waive the principal amount of Rs.97,421,014/-, Interest amount of Rs.41,139,319/- and leased rental charges of Rs.72,184,847/. The waiver of the principal amount is credited to Capital reserve A/c and interest & Leased rental charges amount is credited to Other Income account.

#### Note 5: Long term borrowings

##### Secured

- |                            |      |          |
|----------------------------|------|----------|
| a) Term loans from         |      |          |
| i) Banks                   | -    | 687.51   |
| ii) Financial institutions | -    | 858.00   |
| iii) Others                | 2.28 | -        |
|                            | 2.28 | 1,545.51 |
- 1) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Hongkong and Shanghai Banking Corporation Limited, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets, both present and future, of the company. Further, these loans are secured by personal guarantees and properties of the A.B.S.Reddy
- 2) Terms of repayment are given below:
- Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.
  - Loan taken from Bank of India carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.
  - Loan taken from Andhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.
  - Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014
  - Loan taken from Hongkong and shanghai banking corporation Limited carries an interest rate of 18.75% p.a and is repayable in 3 monthly installments of Rs.30.00 lakhs each.
  - Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan'2016

PARTICULARS	Rupees in Lakhs	
	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 6: Deferred tax liabilities (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	-	2,566.42
	-	2,566.42
Deferred tax asset:		
Provision for employee benefits	-	62.22
Provision for doubtful trade receivables, loans and advances	-	2,281.22
Unabsorbed / Depreciation	-	-
	-	2,343.44
Deferred tax liabilities (net)	-	222.98
<b>Note 7: Long-term provisions</b>		
Provision for Employee benefits (Refer note 28)	227.27	202.13
	227.27	202.13
<b>Note 8: Short-term borrowings</b>		
From Banks	16,885.27	21,347.22
Unsecured Loans from Subsidiaries	6,312.89	6,337.62
	23,198.16	27,684.84
i) Loans repayable on demand includes an amount of Rs. 16885.27 lakhs (30.09.2013:Rs. 21347.22 lakhs) represents working capital loans from banks are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr.A.B.S.Reddy.Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd. Interest on W.Capital Loans are provided on the last known rates as the Banks have not provided the Statement of Account of each W.Capital loan. The figures are as per the books of accounts and not reconciled as statement of accounts for certain banks have not been provided.		
<b>Note 9: Trade payables</b>		
(Refer Note no. 46 for details of dues from Micro and small enterprises)		
Acceptances	-	-
Other than acceptances	26,205.27	25,932.82
	26,205.27	25,932.82
<b>Note 10: Other current liabilities</b>		
Current maturities of long-term debt (Refer note No. 5)	45,571.54	43,924.72
Interest accrued but not due on borrowings	-	33.87
Interest accrued and due on borrowings	10,194.84	4,999.74
Inter corporate Deposits	4,660.70	4,686.00
Other liabilities	784.62	730.36
Unclaimed dividends	12.83	12.95
Statutory remittances	41.23	154.74
Payables for Capital works	161.42	271.87
Advances from customers	205.96	185.86
	61,633.14	55,000.10
Note : The company has not provided for interest on Unsecured Loans		
<b>Note 11: Short-term provisions</b>		
Provision for income tax	3,625.55	3,810.19
Provision for FBT	654.11	654.11
Dividend Distribution Tax	56.56	56.56
Provision for Premium Payable on Redemption of FCCB	10,793.34	10,793.34
	15,129.56	15,314.20

Tangible Assets	Rupees in Lakhs									
	Gross Block					Depreciation			Net Block	
	As at 1st Oct 2013	Additions	Del/Adj	As at 31st Mar 2015	As at 1st Oct 2013	For the period	Del/Adj	As at 31st Mar 2015	As on 31.03.2015	As on 30.09.2013
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	305.98	-	-	305.98	48.82	14.69	-	63.50	242.48	257.16
Plant And Machinery	7,133.62	-	-	7,133.62	2,724.73	669.02	-	3,393.75	3,739.87	4,408.89
Electrical Installation	428.13	4.64	-	432.77	157.87	67.55	-	225.42	207.35	270.26
Computers	10,643.90	4.14	18.37	10,629.67	8,208.10	1,674.50	-	9,882.61	747.06	2,435.80
Office Equipment	55.84	171.69	4.99	222.54	28.46	26.31	-	54.77	167.77	27.39
Furniture & Fixtures	195.81	0.31	-	196.12	132.96	13.03	-	145.99	50.13	62.85
Vehicles	291.14	20.69	7.42	304.42	148.36	55.82	1.99	202.18	102.23	142.79
Leasehold Improvements	48.71	-	-	48.71	26.09	13.20	-	39.29	9.42	22.62
<b>T O T A L(A)</b>	<b>19,145.06</b>	<b>201.47</b>	<b>30.78</b>	<b>19,315.75</b>	<b>11,475.38</b>	<b>2,534.13</b>	<b>1.99</b>	<b>14,007.51</b>	<b>5,308.23</b>	<b>7,669.68</b>
Previous Year	19,143.91	1.15	-	19,145.06	9,156.55	2,318.83	-	11,475.38	7,669.68	10,001.09

**Note : 12 B**

Intangible Assets	Rupees in Lakhs									
	Gross Block					Depreciation			Net Block	
	As at 1st Oct 2013	Additions	Del/Adj	As at 31st Mar 2015	As at 1st Oct 2013	For the period	Del/Adj	As at 31st Mar 2015	As on 31.03.2015	As on 30.09.2013
Particulars	17,978.70	0.50	-	17,979.20	13,640.37	3,186.98	-	16,827.36	1,151.84	4338.33
SOFTWARE	17,978.70	0.50	-	17,979.20	13,640.37	3,186.98	-	16,827.36	1,151.84	4,338.33
Previous Year	17,841.74	136.96	-	17,978.70	10,682.36	2,958.01	-	13,640.37	4,338.33	7,159.37
<b>Gross Total(A+B)</b>	<b>37,123.76</b>	<b>201.97</b>	<b>30.78</b>	<b>37,294.94</b>	<b>25,115.75</b>	<b>5,721.11</b>	<b>1.99</b>	<b>30,834.87</b>	<b>6,460.08</b>	<b>12,008.01</b>
Previous Year	36,985.65	138.11	-	37,123.76	19,838.91	5,276.84	-	25,115.75	12,008.01	17,160.46

PARTICULARS	Rupees in Lakhs	
	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 13: Non-current investments</b>		
(At cost unless otherwise stated)		
Trade		
Bartronics Asia Pte Ltd	8,654.17	8,654.17
Equity 769500 @ SGD 1(30.09.12 - 769500 @ SGD 1)		
Cumulative Redeemable Preference Shares 21097042 @ USD 1		
Bartronics America Inc	21,544.86	21,544.86
Equity 1500 @ USD 1(30.09.12 - 1500 @ USD 1)		
Non convertible non cumulative Preference shares 4994 @ USD 10000		
Bartronics Middle East FZE	18.96	18.96
Equity 1 @ AED 150000(30.09.12 - 1 @ AED 150000)		
	<u>30,217.99</u>	<u>30,217.99</u>
Book value of unquoted investments	<u>30,217.99</u>	<u>30,217.99</u>
<b>Note 14: Deferred Tax Asset (Net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	(1,048.88)	-
	<u>(1,048.88)</u>	<u>-</u>
Deferred tax asset:		
Provision for employee benefits	73.74	-
Provision for doubtful trade receivables, loans and advances	2,281.10	-
Unabsorbed /Depreciation	-	-
	<u>2,354.84</u>	<u>-</u>
Deferred tax liabilities (net)	<u>1,305.96</u>	<u>-</u>
<b>Note 15: Long-term loans and advances</b>		
i) (Unsecured and considered good)		
a) Capital Advances	9,062.09	9,374.39
b) Security deposits	3,238.84	3,208.62
c) Loans and advance to related parties	645.41	647.83
d) MAT credit entitlement	1,777.52	1,777.52
	<u>14,723.86</u>	<u>15,008.36</u>
<b>Note 16: Inventories</b> (At lower of cost and net realisable value)		
Raw Materials	338.81	288.89
Finished Goods	348.16	232.49
Stock in Progress	28.14	21.92
	<u>715.10</u>	<u>543.30</u>



Rupees in Lakhs

PARTICULARS	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 17: Trade receivables (Unsecured)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	84,985.79	90,693.87
Considered Doubtful	<u>7,030.67</u>	<u>7,020.68</u>
	92,016.47	97,714.55
Less: Provision for doubtful trade receivables	<u>(7,030.67)</u>	<u>(7,020.68)</u>
(A)	<u>84,985.79</u>	<u>90,693.87</u>
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	336.47	367.61
Considered Doubtful	-	-
	336.47	367.61
Less: Provision for doubtful trade receivables		
(B)	<u>336.47</u>	<u>367.61</u>
(A+B)	<u>85,322.26</u>	<u>91,061.48</u>
<b>Note 18: Cash and bank balances</b>		
Cash and cash equivalents		
Cash on Hand	0.36	1.56
Balances with Banks:		
In current accounts	133.03	67.39
In EEFC account	0.94	0.95
In Deposit accounts	10.99	15.16
Other bank balances		
In Ear marked Accounts		
Margin Money deposits	248.25	245.20
In Dividend Account	12.84	10.45
Balance held as margin monies (Refer note below)		
	<u>406.41</u>	<u>340.72</u>
Note : The Company has not provided for interest on some of the deposits		
<b>Note 19: Short-term loans and advances</b>		
Security deposits	173.17	185.86
Loans and advances to employees	45.64	31.14
Prepaid expenses	2.92	46.24
CENVAT credit receivable	2.09	-
Service tax credit receivable	34.70	-
TDS receivable	17.98	165.75
Advances for supply of goods and rendering of services	384.40	180.21
Others	0.18	0.18
Less: Provision for Doubtful Advances	<u>(14.08)</u>	<u>(14.08)</u>
	<u>647.02</u>	<u>595.33</u>
<b>Note 20: Other current assets</b>		
Interest accrued but not due on deposits	44.16	112.41
Advance tax	<u>3,472.96</u>	<u>3,243.66</u>
	<u>3,517.11</u>	<u>3,356.07</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Rupees in Lakhs

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 21: Revenue from operations</b>		
<b>A) Exports- Software</b>		
Value Added Domestic	-	-
Self Developed Exports	-	-
<b>B) Manufacturing</b>	<b>1,865.96</b>	988.57
<b>C) Trading</b>		
Software	-	-
Hardware	-	-
<b>D) Services</b>	<b>2,064.16</b>	4,055.28
<b>E) Other Operating Revenue</b>		
Sale of scrap	-	-
<b>Total</b>	<b>3,930.12</b>	5,043.85

Particulars of sale of products	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
<b>A Manufactured goods</b>				
Cards & RFID	82,43,125	1,865.96	20,24,011	988.57
<b>Total</b>	<b>82,43,125</b>	<b>1,865.96</b>	<b>20,24,011</b>	<b>988.57</b>
<b>B Traded goods</b>				
High sea sales	-	-	-	4,055.28
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,055.28</b>
<b>Total</b>	<b>82,43,125.00</b>	<b>1,865.96</b>	<b>20,24,011.00</b>	<b>5,043.85</b>

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 22: Other Income</b>		
a) Interest on deposit with banks and others	3.14	25.08
b) Exchange gain (net)	(273.63)	6,282.63
c) Creditors no longer payable	-	-
d) Miscellaneous income	727.42	11.29
	<b>456.94</b>	<b>6,319.00</b>

Rupees in Lakhs

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 23.a: Cost of materials consumed</b>		
Opening Stock	288.89	268.32
Add : Purchases	1,956.44	305.01
	2,245.34	573.33
Less : Closing stock	338.81	288.89
	1,906.52	284.44

**Details of raw materials consumed**

	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	82,87,767	1,906.52	30,02,741	284.44
Software	-	-	-	-
<b>Total</b>	<b>82,87,767.00</b>	<b>1,906.52</b>	<b>30,02,741.00</b>	<b>284.44</b>
<b>Note 23.b: Details of purchase of traded goods</b>				
High sea purchases	-	-	-	3,776.66
Others	-	-	-	-
<b>Total</b>	-	-	-	<b>3,776.66</b>

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade</b>		
Inventories at the beginning of the year:		
Finished goods	232.49	206.66
Work in progress	21.92	32.86
Stock in trade	-	-
	254.41	239.52
Inventories at the end of the year:		
Finished goods	348.16	232.49
Work in progress	28.14	21.92
Stock in trade	-	-
	376.29	254.41
Net (increase) / decrease	(121.88)	(14.89)

**Note 24: Employee benefit expense**

Salaries, wages and bonus	780.92	774.93
Contribution to provident and other funds	63.60	82.64
Staff welfare expenses	7.55	5.52
	852.07	863.10

Note : Provision for Gratuity fund and leave encashment is made on ad hoc basis and not as per the actuarial valuation as per AS-15. No bonus is provided in the accounts for the year under consideration.

Rupees in Lakhs

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 25: Finance costs</b>		
Interest expense on Borrowings	6,973.33	5,028.73
Others	31.42	17.41
	<u>7,004.75</u>	<u>5,046.14</u>
<b>Note 26: Other expenses</b>		
Advertisement	44.04	125.77
Bank charges	4.58	9.94
Business promotion	9.83	0.02
Communication	78.36	60.01
Directors' Sitting fees	1.20	1.00
Factory maintenance	-	0.20
Insurance	28.79	5.99
Job work charges	9.00	5.06
Legal and professional	73.29	103.23
Miscellaneous expenses	30.69	68.84
Other manufacturing expenses	7.83	0.05
Power and fuel	65.92	19.76
Payments to auditors (Refer Note (i) below)	13.20	15.75
Printing and stationery	11.36	38.22
Project Expenses	-	4.20
Bad Debts / Sundries Write off	10.84	0.40
Rates and taxes	3.84	1.31
Rent	58.99	35.13
Lease rentals	-	231.54
Repairs and Maintenance-Machinery	1.89	2.48
Server Maintenance Charges	11.90	-
Postage & Courier	14.52	-
Vehicle Hire Charges	14.20	-
Repairs and Maintenance-Others	44.33	35.67
Enrolment Expenses	986.52	123.70
Security Charges	3.81	38.76
Travelling and conveyance	164.34	77.47
Provisions for Advances / Claims /debts	-	6,585.26
	<u>1,693.26</u>	<u>7,589.75</u>
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	12.00	15.00
As auditors -Internal Audit	1.00	-
Other Services	0.20	0.75
Total	<u>13.20</u>	<u>15.75</u>

**Notes to Account:****27. Contingent Liabilities:**

Letters of Credit and Guarantees issued:

Rs. &amp; USD. In Lakhs

Particulars	As At 31.03.2015	As At 30. 09. 2013 (Restated)
Letters of Credit	-	-
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	<b>Rs.591.30</b>	Rs.590.14
- Corporate Guarantees	-	\$ 150

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

Disputed Taxes	As At 31.03.2015	As At 30. 09. 2013 (Restated)
Income Tax	<b>1975.47</b>	1965.33
Sales Tax	<b>13.85</b>	127.74

29. Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs. 9,062.09 lakhs (30.09.2013 Rs. 9,374.39 lakhs)] Rs1,355.54 lakhs (30.09.2013: Rs. 1,340.56 lakhs).

**30. Reserves & Surplus:****Securities Premium:**

- a. In this Period the company has arrived at an “One time settlement (OTS) of dues with its some of the lenders, as a result the lenders have agreed to waive the principal amount of Rs.97,421,014/-, Interest amount of Rs.41,139,319/- and leased rental charges of Rs.72,184,847/-. The waiver of the principal amount is credited to Capital reserve A/c and interest & Leased rental charges amount is credited to Other Income account.

**31. Unsecured Loans:****Foreign Currency Convertible Borrowings (FCCB):**

Bartronics India Ltd. had issued Foreign Currency Convertible Bonds (FCCB) for an aggregate sum of USD 50mn in January 2008. These bonds got matured in February 2013. In this regard the company had filed a request for an extension of the maturity of the bonds to May 4, 2014 with Reserve Bank of India which was granted by them vide their letter dated February 21, 2014.

The company has appointed M/s Avista Advisory Group to assess all the options available with the company and finalize best suited approach in order to address the maturity. The options available with the company include restructuring the bonds i.e. rolling over the bonds for next five years or replacing the bonds with fresh bonds, or redeeming all the bonds at a mutually agreeable price. With these available options; the Company, along with M/s Avista Advisory Group has got in touch with the bondholders and has initiated discussions which are at advanced stages now. The company has applied for further extension of the maturity date with Reserve Bank of India and the company is waiting to hear from RBI to move forward. The company is confident of addressing the maturity of Bonds shortly.

Rs. in Lakhs

	As At 31.03.2015		As At 30. 09. 2013 (Restated)	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	<b>31,426.00</b>	<b>31,426.00</b>	26,325.00	26,325.00
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	-	-	5,101.00	5,101.00
Less: Foreign Exchange Gain (net)	<b>123.80</b>	<b>123.80</b>	-	-
Closing Balance	<b>31302.20</b>	<b>31302.20</b>	31,426.00	31,426.00

**32. Derivative Instruments:**

Un-hedged foreign currency exposures by way of derivative instruments or otherwise are as follows:

Rs. in Lakhs

Particulars	As At 31.03.2015		As At 30. 09. 2013 (Restated)	
	US Dollar (lakhs)	Rupee Equivalent (lakhs)	US Dollar (lakhs)	Rupee Equivalent (lakhs)
Amount Receivable on Account of				
Export of Goods	1456.49	91182.57	1539.41	96752.27
Other Receivables				
Amount Payable on account of				
Import of Goods & Services	318.42	19934.40	318.42	20013.33
Capital Imports				
Foreign Currency Convertible Bonds	500.00	31302.20	500	31,426.00
Redemption Premium on FCCB	1823.06	10793.34	1823.06	10793.34
Other Payables	-	-	-	-

**33. Related Party Disclosures:**

The following are related parties as defined in “Accounting Standard (AS) 18- Related Party Disclosures” notified under The Companies (Accounting Standards) Rules, 2006.

**A. List of Related Parties**
**1. Subsidiaries**

	Country of Incorporation	Percentage of Ownership Interest
<b>Subsidiaries of Bartronics India Limited</b>		
1. Bartronics Asia Pte Ltd.	Singapore	100%
2. Bartronics Middle East FZE	UAE	100%
<b>Subsidiary of Bartronics Asia Pte Ltd.</b>		
1. Bartronics Hong kong Limited	Hong Kong	100%
2. Veneta Holdings Limited	Mauritius	100%
3. Bartronics Global Solutions Limited	India	99%
4. Burbank Holdings Limited	Mauritius	100%

**2. Key Management Personnel**

- Mr. Sudhir Sundar Rao – Managing Director

**B. Related Party Transactions:**

Rs. in Lakhs

Transactions	Subsidiaries		Key Management Personnel and their Relatives	
	2013-15	2012-13 (Restated)	2013-15	2012-13 (Restated)
<b>Sales</b>				
Bartronics Asia Pte Ltd.	153.38	108.28	-	-
Bartronics Middle East FZE	-	-		
<b>Purchases</b>				
Bartronics Asia Pte Ltd.	-	-		
<b>Advances to</b>				
Bartronics Global Solutions	-	27.50		-
Bartronics Asia Pte Ltd.	-	(6337.62)	-	-
Bartronics Middle East FZE.	-	-		
<b>Investment in Equity Shares</b>				
Bartronics Middle East FZE.	-	-	-	-
Bartronics Asia Pte Ltd	-	-		
<b>Investment in Preference Shares</b>				
Bartronics Asia Pte Ltd	-	-		
Remuneration Paid	-	-	-	82.18
Mr. Sudhir Sundar Rao	-	-	-	82.18
<b>Outstanding Balances</b>				
<b>Advances</b>				
Bartronics Asia Pte Ltd.	(6312.88)	-	-	-
Bartronics Middle East FZE	-	0.54	-	-
Bartronics Global Solutions	27.50	27.50		
<b>Receivables</b>				
Bartronics Asia Pte Ltd.	82.13	4.46	-	-
Bartronics Middle East FZE	2749.41	3771.78	-	-



**34. 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 31.03.15	Maximum Balance Outstanding During the Year
Bartronics Asia Pte Ltd	Subsidiary	(6312.88) <i>(6337.61)</i>	(6337.61) <i>(6337.61)</i>
Bartronics Middle East FZE	Subsidiary	0.54 <i>0.54</i>	0.54 <i>0.54</i>
Bartronics Global Solutions Ltd	Fellow Subsidiary	27.50 <i>27.50</i>	37.50 <i>27.50</i>
Total		(6284.84) <i>(6309.57)</i>	(6299.57) <i>(6309.57)</i>

Figures in italics represent previous year's figures.

**35. Managerial Remuneration**

Rs. in Lakhs

Particulars	2013-15	2012-13 (Restated)
Salaries & Allowances	--	82.09
Contribution to Provident Fund	--	0.09
Directors' Sitting Fees	<b>1.20</b>	1.00
Total	<b>1.20</b>	83.18

- The above figures exclude provision for gratuity and compensated absences actuarially valued as separate figures are not available.
- 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.

**36. Auditor's Remuneration**

Rs. in Lakhs

Particulars	2013-15	2012-13 (Restated)
Audit Fees	<b>8.00</b>	10.00
Limited Reviews	<b>4.00</b>	5.00
Other Services	<b>0.20</b>	0.75
Total	<b>12.20</b>	15.75

**37. Segment Reporting**

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

Rs. in Lakhs

Particulars	Segment Revenue				Segment Assets			
	Sales				Debtors			
	2013-2015		2012-2013 (Restated)		2013-2015		2012-13 (Restated)	
Hong Kong	--	--	--	--	33669.34	36.46	6852.90	6.99
UAE	--	--	--	--	32972.06	35.70	36007.68	36.71
USA	--	--	--	--	--	--	33115.76	33.76
Others	153.38	3.90	4163.56	82.55	24541.17	26.57	20873.26	21.28
Outside India	153.38	3.90	4163.56	82.55	91182.57	98.73	96849.60	98.74
Within India	3776.74	96.10	880.29	17.45	1170.35	1.27	1232.56	1.26
Total	3930.12	100.00	5043.85	100.00	92352.93	100.00	98082.16	100.00

## 38. Composition of Deferred Tax Liability:

Rs. in Lakhs

Particulars	As At 30.09.2013 (Restated)	Movement During the Year	As At 31.03.2015
<b>Deferred Tax Liability:</b>			
Relating to Fixed Assets	(2566.42)	1517.54	(1048.88)
<b>Total</b>	(2566.42)	1517.54	(1048.88)
<b>Deferred Tax Assets:</b>			
Provision for Doubtful Debts / Advances / Deposits	2281.10	--	2281.10
Disallowances under Section 43B	62.22	11.52	73.74
Unabsorbed Depreciation	--	--	--
<b>Total</b>	2343.44	11.52	2354.84
<b>Net Deferred Tax Liability</b>	222.98	1506.02	1305.96

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

## 39. Earnings Per Share:

Particulars	2013-15	2012-13 (Restated)
Profit after Taxation (Rs. in Lakhs)	(11,244.81)	(6,912.36)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	(11,244.81)	(6,912.36)
Weighted average number of equity shares used in computing Basic Earnings Per Share	34,048,861	34,048,861
Earnings per share – Face Value: Rs.10/- each		
- Basic	(33.03)	(20.30)
- Diluted	(33.03)	(20.30)

## 40. Consumption of Directly Imported And Indigenously Obtained Raw Materials, Stores And Spares And Components

Particulars	2013-15		2012-13 (Restated)	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials				
- Imported	1664.08	87.28%	92.44	32.51%
- Indigenous	242.44	12.72%	191.99	67.49%
<b>Total</b>	<b>1906.52</b>	<b>100.00%</b>	<b>284.43</b>	<b>100.00%</b>

## 41. CIF Value of Imports

Rs. in Lakhs

Particulars	2013-15	2012-13
Raw Material	-	-
Goods for resale	-	3776.66
Total	-	3776.66

## 42. Earnings in Foreign Exchange (on accrual basis)

Rs. in Lakhs

Particulars	2013-15	2012-13
FOB Value of Exports	-	-
Others	5074.11	114.64

## 43. Expenditure in Foreign Currency (on accrual basis)

Rs. in Lakhs

Particulars	2013-15	2012-13
Foreign Travel	27.04	0.85
Consultancy Charges	1.61	-
Others	-	-

## 44. Disclosures as required under Accounting Standard AS-15

The company liability on account of Employee benefits comprising Gratuity- a defined benefit scheme and compensated absences has been determined in accordance with the requirements of Accounting Standard (AS)-15 notified by the Companies (Accounting Standards) Rules, 2006. Disclosures required in terms of the requirement of AS-15.

(Rupees in lakhs)

Expenses recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	15.12	13.85	28.97
	9.02	(43.10)	(34.08)
Interest Cost	6.19	2.40	8.59
	8.11	5.17	13.28
Actuarial (Gains)/Losses	(3.85)	(1.28)	(5.13)
	(66.77)	(5.17)	(71.94)
Total expense included in the Statement of Profit & Loss	17.45	14.97	32.42
	(49.64)	(43.10)	(92.74)
Net Liability recognised in Balance Sheet			
Present Value of Defined Benefit Obligation	45.82	31.60	77.42
	95.46	17.75	113.21
Fair Value on Plan Assets	-	-	-
	-	-	-
Net Liability recognised in Balance Sheet	59.54	31.60	91.14
	45.82	17.75	63.57

<b>Change in Defined Benefit Obligations (DBO)</b>			
Present Value of DBO at Beginning of Period / Year	45.82	17.75	63.57
	<i>95.46</i>	<i>60.85</i>	<i>156.31</i>
Current Service Cost	15.12	13.85	28.97
	<i>9.02</i>	<i>(43.10)</i>	<i>(34.08)</i>
Interest Cost	6.18	2.40	8.58
	<i>8.19</i>	<i>5.17</i>	<i>13.28</i>
Actuarial (Gains)/Losses	(3.85)	(1.28)	(5.13)
	<i>(66.77)</i>	<i>(5.17)</i>	<i>(71.94)</i>
Benefits Paid	(3.74)	(1.12)	(4.86)
	-	-	-
Present Value of DBO at the End of Period/Year	59.53	31.60	91.13
	<i>45.82</i>	<i>17.75</i>	<i>63.57</i>

<b>Assumptions</b>	
Interest / Discount Rate	7.80%
	<i>9.00%</i>
Rate of escalation in salary	7.00%
	<i>7.00%</i>
Attrition Rate	4.00%
	<i>4.00%</i>

Note: Figures in italics relate to previous year

**i. Discount Rate**

The discount rate is based on the prevailing market yield on Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

**ii. Salary Escalation Rate**

The estimates of future salary increase considered takes into account the inflation, seniority and other relevant factors

<b>Net Asset/(Liability) recognised in Balance Sheet</b>					
Particulars	2013-15	2012-13	2011-12	2010-11	2009-10
<b>Gratuity</b>					
Present value of defined benefit obligation	<b>59.53</b>	45.82	95.45	44.46	46.47
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>(59.53)</b>	(45.82)	(95.45)	(44.46)	(46.47)
<b>Compensated Absences</b>					
Present value of defined benefit obligation	<b>31.60</b>	17.75	60.85	21.5	7.25
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>(31.60)</b>	(17.75)	(60.85)	(21.5)	(7.25)

45. The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent in to the profit and loss account.

46. 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. There are no dues to be paid by the company to The Micro, Small & Medium enterprises as per the management.
47. The Company was awarded the “Aapke Dwar” Project in 2009 by the Municipal Corporation of Delhi (MCD). The project envisages availment of various Governments to Citizen (G2C) services. The Company is required to install and operate 2,000 kiosks at various locations in the city to facilitate the above. The Company has also the right to display advertisements on the external walls of the kiosks.

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,340.56 Lakhs (2012-13 : Rs. 1,426.34 lakhs). Further amounts aggregating to Rs. 9374.39 Lakhs (2012-13:Rs.13,688.82 lakhs) has been advanced for work to be carried out.

In view of the unseemly delays in the allocation of sites by the MCD, the Company has filed a petition in the High Court of Delhi which has initiated the process of arbitration. The Company is confident of arriving at an amicable solution shortly.

48. Previous period's figures have been restated as suggested by the NSE.

For and on behalf of the Board of Directors

**Sudhir Sundar Rao**  
Managing Director

**A. B. Satyavas Reddy**  
Director

Place : Hyderabad  
Date : 20.05.2015

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**Consolidated  
Financial Statements  
for the Period Ended  
31.03.2015**

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## INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

To the Board of the Directors of  
BARTRONICS INDIA LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BARTRONICS INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such



controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a. Reference is invited to Note 10 of the financial statements, the company has not provided interest on unsecured loans as terms are not clearly available with the Company and consequently uncertainty arises in Financial Statements as to the exact amount.
- b. Reference is invited to Note 15(i)(a) of the financial statements, the Company's capital advances to the extent of Rs.9,062.09 Lakhs. We are unable to ascertain whether such balances are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount
- c. Note 17 forming part of the financial statements regarding the Trade Receivables balance aggregating to Rs.113,810.93 Lakhs and in respect of which the company provided only Rs.7,030.67 lakhs. In the absence of the required information, we are unable to form an opinion on the extent to which the debts may be recoverable.
- d. Note 31 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs.31,302.20 Lakhs which has fallen due as of February 2013 and the company has defaulted the payments even after the expiry of extended time sought by it from the RBI.
- e. Without qualifying our opinion, we invite attention to Note no 47 forming part of the financial statements regarding the uncertainties relating to MCD Project – "Apke Dwar Project", the matter is in arbitration.

Our opinion is not modified in respect of this matter.

### Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements / financial information reflect total assets of Rs.21,993.71 Lakhs as at 31st March, 2015, total revenues of Rs.12,633.52 Lakhs and net cash outflows amounting to Rs.1897.69 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements /financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements /financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group, its associates and jointly controlled entities.
    - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For T.Raghavendra & Associates  
Chartered Accountants  
(FRN -003329S)

T. Raghavendra  
Proprietor  
(Membership No.023806)

Place: Hyderabad  
Date: 20-05-2015

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015**

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 31 Mar 2015	For the Previous Reporting Date 30 Sep 2013 (Restated)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	3	3,404.89	3,404.89
b) Reserves and surplus	4	22,760.03	33,025.95
		<u>26,164.92</u>	<u>36,430.83</u>
<b>2 Non- Current Liabilities</b>			
a) Long-term borrowings	5	2.28	1,545.51
b) Deferred tax liabilities (net)	6	-	177.98
c) Other non current liabilities		-	-
d) Long term Provisions	7	227.27	202.13
		<u>229.55</u>	<u>1,925.62</u>
<b>3 Current Liabilities</b>			
a) Short-term borrowings	8	16,885.27	24,536.20
b) Trade payables	9	37,609.80	53,715.05
c) Other current liabilities	10	61,857.89	55,620.87
d) Short-term provisions	11	15,129.56	15,314.20
		<u>1,31,482.52</u>	<u>1,49,186.31</u>
<b>TOTAL</b>		<u>1,57,876.98</u>	<u>1,87,542.76</u>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
a) Fixed assets			
i) Tangible assets	12 A	5,701.76	8,063.20
ii) Intangible Assets	12 B	20,607.25	23,808.05
iii) Capital work in progress		1,355.54	1,340.56
		<u>27,664.55</u>	<u>33,211.82</u>
b) Non-current investments	13	-	-
c) Deferred tax Asset (net)	14	1,305.96	-
d) Long-term loans and advances	15	14,724.63	15,008.36
Good will on consolidation		392.75	392.75
		<u>44,087.88</u>	<u>48,612.93</u>
<b>2 Current Assets</b>			
a) Current investments			
b) Inventories	16	715.10	543.30
c) Trade receivables	17	1,06,780.26	1,32,135.67
d) Cash and bank balances	18	459.23	2,291.23
e) Short-term loans and advances	19	2,317.39	603.57
f) Other Current Assets	20	3,517.11	3,356.07
		<u>1,13,789.10</u>	<u>1,38,929.84</u>
<b>TOTAL</b>		<u>1,57,876.98</u>	<u>1,87,542.76</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For T.Raghavendra & Associates**

Chartered Accountants

(FRN : 003329S)

**T.Raghavendra**

(Mem No. 023806)

Place : Hyderabad

Date : 20th May 2015

**Sudhir Sundar Rao**

Managing Director

Place : Hyderabad

Date : 20th May 2015

**A. B. Satyavas Reddy**

Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2015

Rupees in Lakhs

Particulars	Note No	For the Eighteen Months period ended 31 March 2015	For the year ended 30 Sep 2013 (Restated)
<b>I. Revenue</b>			
Revenue from operations (gross)		10,817.45	15,362.59
Less: Excise duty		-	36.77
Revenue from operations (net)	21	10,817.45	15,325.82
Other income	22	6,203.12	6,319.00
<b>Total revenue</b>		<b>17,020.58</b>	<b>21,644.82</b>
<b>II. Expenses</b>			
Cost of materials consumed	23 A	5,038.40	284.44
Purchase of stock-in-trade	23 B	-	12,564.70
Change in inventories of finished goods work in progress and stock- in-trade	23 C	(121.88)	(14.89)
Employee benefits expense	24	1,744.23	2,056.40
Finance costs	25	7,004.75	5,046.68
Depreciation and amortisation expense	12A&12B	5,735.43	5,308.87
Other expenses	26	8,864.51	8,611.92
Prior Period Expenses		104.98	-
<b>Total expenses</b>		<b>28,370.41</b>	<b>33,858.11</b>
<b>III. Profit / (Loss ) before tax (I-II)</b>		<b>(11,349.84)</b>	<b>(12,213.30)</b>
<b>IV. Tax expense:</b>			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Less : Reversal of Deferred tax liabilities		1,483.94	3,470.36
d) Less : Reversal of Excess Income tax Provided in Previous Years		-	1,076.47
		<b>(1,483.94)</b>	<b>(4,546.83)</b>
<b>V. Profit for the year/period (III-IV)</b>		<b>(9,865.90)</b>	<b>(7,666.47)</b>
Earnings per equity share of Rs.10 Each			
Basic Rs.		(28.98)	(22.52)
Diluted Rs.		(28.98)	(22.52)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

**For T.Raghavendra & Associates**

Chartered Accountants

(FRN : 003329S)

**T.Raghavendra**

(Mem No. 023806)

Place : Hyderabad

Date : 20th May 2015

**Sudhir Sundar Rao**

Managing Director

Place : Hyderabad

Date : 20th May 2015

**A. B. Satyavas Reddy**

Director

**Consolidated Cash Flow Statement for the period ended 31.03.2015**

Rs.in Lakhs

Particulars	Eighteen Months Period ended 31 March 2015	Year Ended 30 Sep 2013 (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit & Loss Account	(11,349.84)	(12,213.30)
<b>Adjustments for</b>		
Depreciation & Amortisation	5,735.43	5,308.87
Reversal of Income tax	-	1,076.47
Financial Expenses	7,004.75	5,046.69
Interest income	(3.14)	(25.08)
Loss on Sale of Fixed assets	1.42	
Provisions for Advances/Claims/Debts	-	6,585.26
Unrealised Foreign Exchange loss	(274.99)	(6,479.01)
Adjustment of Previous Year Profits	(1,351.20)	(1,128.69)
<b>Operating Profit Before Working Capital Changes</b>	<u>(237.57)</u>	<u>(1,828.80)</u>
<b>Adjustments for</b>		
Decrease/(Increase) in Inventories	(171.80)	(35.46)
Increase in Trade Receivables	25,852.75	(11,358.06)
Decrease/(Increase) in Long & Short Term Loans & Advances	(1,593.55)	9,301.27
Increase/(Decrease) in Current & Non Current Liabilities	(11,591.16)	14,989.80
Increase/(Decrease) in Long & Short Term Provisions	25.14	(1,688.65)
	<u>12,283.80</u>	<u>9,380.10</u>
Other Income	-	7.77
Exceptional Items	-	-
Cash Generated from Operations	<u>12,283.80</u>	<u>9,387.87</u>
<b>Taxes Paid</b>	<u>-</u>	<u>-</u>
<b>Cash from Operating Activities (A)</b>	<u>12,283.80</u>	<u>9,387.87</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(201.97)	(138.11)
Decrease/(Increase) in Capital Work In progress	(14.98)	214.98
Sales of Fixed Assets	4.36	
Increase/(Decrease) in Other Reserves	974.21	-
Advance to Subsidiaries	2.42	(524.62)
Advance from Subsidiaries	(3,188.98)	(5,196.67)
Interest Received	3.14	17.31
<b>Cash from Investment Activities (B)</b>	<u>(2,421.80)</u>	<u>(5,627.10)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Premium Received	-	(1,194.71)
Increase/ (Decrease) in Loan Funds	(4,504.58)	1,830.85
Dividend & Taxes paid	(184.64)	-
Interest & Financial Charges	(7,004.75)	(5,046.69)
<b>Net Cash from financing activities (C)</b>	<u>(11,694.01)</u>	<u>(4,410.55)</u>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>	<u>(1,832.00)</u>	<u>(649.78)</u>
Opening Cash and Cash Equivalents	<u>2,291.24</u>	<u>2,941.02</u>
<b>Cash and Cash Equivalent as on 31.03.2015</b>	<u>459.24</u>	<u>2,291.24</u>

**Notes:**

- The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements.
- Cash and Cash Equivalents include Rs 248.25 lakhs (30.09.2013: Rs. 245.20 lakhs ) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
- Previous year's figures have been regrouped / rearranged/reclassified wherever necessary to conform with those of the current year.
- Figures in bracket represents cash outflow.

In terms of our report attached

For and on behalf of the Board of Directors

**For T.Raghavendra & Associates**

Chartered Accountants

(FRN : 003329S)

**T.Raghavendra**

(Mem No. 023806)

Place : Hyderabad

Date : 20th May 2015

**Sudhir Sundar Rao**

Managing Director

Place : Hyderabad

Date : 20th May 2015

**A. B. Satyavas Reddy**

Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company was incorporated as a private limited Company by the name of Super Bar Tronics Private Limited on September 10, 1990. Further, the Company changed its name from Super Bar Tronics Private Limited to Super Bartronics Limited and subsequently converted into a Public Limited Company w.e.f. from July 27, 1995. The name of the Company was changed to Bartronics India Limited on January 1, 1996.

Bartronics is currently engaged in providing solutions based on Bar Coding, one of the oldest AIDC technologies. Since then, in the past two decades, it has been pioneer in introducing newer technologies and solutions in India based on Biometrics, RFID, POS, EAS, and Smart Cards etc.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A) 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 reporting date as that of the Company, i.e. March 31, 2015.
- 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.
- B) 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.**
- C) Basis of preparation of financial statements**
- a) The Consolidated Financial Statements are prepared on accrual

basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 133 of the companies Act, 2014.

**b) Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make 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 income and expenses during the reported period. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the financial statements.

**c) Fixed Assets**

**Tangible Assets**

**Parent Company:**

Fixed Assets are stated at cost (net of duties and taxes) less accumulated 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 on Straight Line Method as per the rates and in the manner provided in the Schedule II of the Companies Act, 2013.

**Subsidiaries:**

Fixed assets are depreciated over the estimated useful lives of the assets as

follows.

Computers	3-5 Years
Furniture and Fixtures	5-7 Years
Office Equipment	5-7 Years
Vehicles	7 Years

**Intangible Assets**

**Parent Company:**

Intangible Assets are stated at cost less accumulated 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	15.83% (6 Years)
Software	15.83% (6 Years)

**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.

**d) 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 a substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are recognised as expense in the Profit and Loss account.

**e) Impairment of Assets**

At each balance sheet date, 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.

**f) Investments**

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

**g) 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 Stock in Progress	Direct Material cost plus appropriate overheads

**h) Income Taxes**

**(i) Indian Entities**

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Group. Tax expense relative to overseas operations is determined in accordance with the tax laws applicable in countries where such operations are domiciled. Deferred tax charge or credits are recognised for the future tax consequences attributable to

timing differences that result between the profit / (loss) offered for income taxes and the profit as per the financial statements.

Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain to be realised. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and intends to settle such assets and liabilities on a net basis.

**MAT credit**

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, in accordance with the provisions contained in the Guidance Note on Accounting for Credit Available under Minimum Alternative Tax, issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as “MAT Credit Entitlement”. The Company reviews the same at each Balance Sheet date



and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**ii. Foreign Entities:**

Foreign Companies recognize tax liabilities and assets in accordance with local laws.

**i) Employee Benefits**

***Defined contribution plans***

Contributions payable to the recognised provident fund and pension fund maintained with the Central Government and superannuation fund, which are defined contribution schemes, are charged to the Profit and Loss account on accrual basis. The Company has no further obligations for future provident fund and superannuation fund benefits other than its annual contributions.

***Defined benefit plans***

The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains and losses are charged to the Profit and Loss account in the period in which they arise. Obligation under the defined benefit plan is measured at the present value of the estimated future cash flow using a discount rate that is determined by reference to the prevailing market yields at the Balance Sheet date on Indian Government Bonds where the currency and terms of the Indian Government Bonds are consistent with the currency and estimated term of the defined benefit obligation.

***Compensated absences***

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the Balance Sheet date by an independent actuary using the Projected Unit Credit method. The liability includes the long term component accounted

on a discounted basis and the short term component which is accounted for on an undiscounted basis.

**j) Revenue Recognition**

**A. Export Sales:**

Revenue from Sale of Export 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:**

Revenue from services consist primarily of revenue earned from services performed on a “time and material” basis. The related revenue is recognised as and when the services are rendered and related costs are incurred and when there is no significant uncertainty in realising the same.

**k) 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 yearly 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.

#### **l) 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.

#### **m) 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.

#### **n) 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.

#### **o) Redemption Premium**

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

## NOTES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 3: Share capital</b>		
<b>Authorised</b>		
i) 110,000,000 (30.09.2013:110,000,000) Equity Shares of Rs.10 each	11,000.00	11,000.00
<b>Issued, subscribed and fully paid up</b>		
i) 34,048,861 (30.09.2013 : 34048861) Equity Shares of Rs.10 each	3,404.89	3,404.89
<b>Total</b>	<b>3,404.89</b>	<b>3,404.89</b>

(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 & Loss account)

**Notes:**

- i) **Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year / period**

Particulars	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	No.of Shares	Rupees in Lakhs	No.of Shares	Rupees in Lakhs
<b>a) Equity</b>				
Shares outstanding at the beginning of the Year/Period	340,48,861	3,404.89	340,48,861	3,404.89
Shares issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	340,48,861	3,404.89	340,48,861	3,404.89

- ii) **Details of shares held by each share holder holding more than 5% shares**

Name of the share holder	Eighteen Months period ended 31 Mar 2015		Year ended 30 Sep 13 (Restated)	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infirm & Trading P Ltd	22,00,000	6.46	22,00,000	6.46
	22,00,000		22,00,000	

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 4: Reserves and surplus</b>		
i) Capital reserve		
Opening balance	4,465.25	4,465.25
Add: Additions during the year/period (note)	974.21	-
Closing balance	<u>5,439.46</u>	4,465.25
ii) Securities premium account		
Opening balance	17,703.99	18,898.90
Add: Premium on conversion of FCCB's	-	-
Less: Premium on Redemption of FCCB's	-	1,194.91
	<u>17,703.99</u>	<u>17,703.99</u>
iv) General reserve	125.00	125.00
v) Surplus in statement of profit and loss		
Opening balance	10,731.70	19,526.86
Add: Profit for the year/period	(9,865.90)	(7,666.47)
Less: Appropriations	-	-
Proposed dividend	-	-
Dividend distribution tax	-	-
Less : Adjustment	(1,374.23)	(1,128.69)
Closing balance	<u>(508.42)</u>	<u>10,731.70</u>
Total	<u>22,760.03</u>	<u>33,025.95</u>

In this Period the company has arrived at an "One time settlement" (OTS) of dues with some of the lenders, as a result the lenders have agreed to waive the principal amount of Rs.97,421,014/-, Interest amount of Rs.41,139,319/- and leased rental charges of Rs.72,184,847/-. The waiver of the principal amount is credited to Capital reserve A/c and interest & Leased rental charges amount is credited to Other Income account

**Note 5: Long term borrowings****Secured**

- |  |             |                 |
|--|-------------|-----------------|
| a) Term loans from   |             |                 |
| i) Banks   | -           | 687.51          |
| ii) Financial institutions   | -           | 858.00          |
| iii) Others  | 2.28        | -               |
|  | <u>2.28</u> | <u>1,545.51</u> |
| 1) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Hongkong and Shanghai Banking Corporation Limited, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets, both present and future, of the company. Further, these loans are secured by personal guarantees and properties of the A.B.S.Reddy |             |                 |
| 2) Terms of repayment are given below:   |             |                 |
| a. Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.  |             |                 |
| b. Loan taken from Bank of india carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.   |             |                 |
| c. Loan taken from Andhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.   |             |                 |
| d. Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014   |             |                 |
| e. Loan taken from Hongkong and shanghai banking corporation Limited carries an interest rate of 18.75% p.a and is repayable in 3 monthly installments of Rs.30.00 lakhs each.   |             |                 |
| f. Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan'2016   |             |                 |

PARTICULARS	Rupees in Lakhs	
	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 6: Deferred tax liabilities (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	-	2603.42
	-	2603.42
Deferred tax asset:		
Provision for employee benefits	-	62.22
Provision for doubtful trade receivables, loans and advances	-	2,363.22
Unabsorbed / Depreciation	-	-
	-	2,425.44
Deferred tax liabilities (net)	-	177.98
<b>Note 7: Long-term provisions</b>		
Provision for Employee benefits (Refer note 28)	227.27	202.13
	227.27	202.13
<b>Note 8: Short-term borrowings</b>		
From Banks	16,885.27	21,347.22
Unsecured Loans from Subsidiaries	-	3,188.98
	16,885.27	24,536.20
i) Loans repayable on demand includes an amount of Rs. 16885.27 lakhs (30.09.2013 : Rs. 21347.22 lakhs) represents working capital loans from banks are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr. A.B.S.Reddy. Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd. Interest on Working Capital Loans are provided on the last known rates as the Banks have not provided the Statement of Account of each Working Capital loan. The figures are as per the books of accounts and not reconciled as statement of accounts for certain banks have not been provided.		
<b>Note 9: Trade payables</b>		
(Refer Note no. 46 for details of dues from Micro and small enterprises)		
Acceptances	-	-
Other than acceptances	37,609.80	53,715.05
	37,609.80	53,715.05
<b>Note 10: Other current liabilities</b>		
Current maturities of long-term debt (Refer note No. 5)	45,571.54	43,924.72
Interest accrued but not due on borrowings	-	33.87
Interest accrued and due on borrowings	10,194.84	4,999.74
Inter corporate Deposits	4,660.70	4,686.00
Other liabilities	1,009.36	1,351.13
Unclaimed dividends	12.83	12.95
Statutory remittances	41.23	154.74
Payables for Capital works	161.42	271.87
Advances from customers	205.96	185.86
	61,857.89	55,620.87
Note : The company has not provided for interest on Unsecured Loans		
<b>Note 11: Short-term provisions</b>		
Provision for income tax	3,625.55	3,810.19
Provision for FBT	654.11	654.11
Dividend Distribution Tax	56.56	56.56
Provision for Premium Payable on Redemption of FCCB	10,793.34	10,793.34
	15,129.56	15,314.20

Note : 12 A										
Tangible Assets	Gross Block					Depreciation			Net Block	
	As at 1st Oct 2013	Additions	Del/ Adj	As at 31st Mar 2015	As at 1st Oct 2013	For the period	Del/ Adj	As at 31st Mar 2015	As on 31.03.2015	As on 30.09.2013
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	305.98	-	-	305.98	48.82	14.69	-	63.50	242.48	257.16
Plant And Machinery	7,133.62	-	-	7,133.62	2,724.73	669.02	-	3,393.75	3,739.87	4,408.89
Electrical Installation	428.13	4.64	-	432.77	157.87	67.55	-	225.42	207.35	270.26
Computers	11,264.18	4.14	18.37	11,249.94	8,591.14	1,674.50	-	10,265.64	984.30	2,673.04
Office Equipment	68.09	171.69	4.99	234.79	30.85	26.31	-	57.16	177.63	37.24
Furniture & Fixtures	422.98	0.31	-	423.29	247.07	13.03	-	260.10	163.18	175.91
Vehicles	366.59	20.69	7.42	379.87	190.43	55.82	1.99	244.26	135.61	176.16
Leasehold Improvements	48.71	-	-	48.71	26.09	13.20	-	39.29	9.42	22.62
<b>T O T A L(A)</b>	<b>20,080.20</b>	<b>201.47</b>	<b>30.78</b>	<b>20,250.89</b>	<b>12,017.00</b>	<b>2,534.13</b>	<b>1.99</b>	<b>14,549.13</b>	<b>5,701.76</b>	<b>8,063.20</b>
Previous Year	20,079.05	1.15	-	20,080.20	9,666.14	2,350.86	-	12,017.00	8,063.20	10,414.06

**Note : 12 B**

Note : 12 B										
Intangible Assets	Gross Block					Depreciation			Net Block	
	As at 1st Oct 2013	Additions	Del/ Adj	As at 31st Mar 2015	As at 1st Oct 2013	For the period	Del/ Adj	As at 31st Mar 2015	As on 31.03.2015	As on 30.09.2013
SOFTWARE	18,031.35	0.50	-	18,031.85	13,672.89	3,186.98	-	16,859.87	1,171.98	4,358.46
Goodwill	13,453.89	-	-	13,453.89	-	-	-	-	13,453.89	13,453.89
Patents	6,875.75	-	-	6,875.75	880.05	14.32	-	894.37	5,981.38	5,995.70
<b>T O T A L(B)</b>	<b>38,360.99</b>	<b>0.50</b>	<b>-</b>	<b>38,361.49</b>	<b>14,552.94</b>	<b>3,201.30</b>	<b>-</b>	<b>17,754.24</b>	<b>20,607.25</b>	<b>23,808.05</b>
Previous Year	38,224.03	136.96	-	38,360.99	11,594.93	2,958.01	-	14,552.94	23,808.05	26,629.10
<b>Gross Total(A+B)</b>	<b>58,441.19</b>	<b>201.97</b>	<b>30.78</b>	<b>58,612.38</b>	<b>26,569.94</b>	<b>5,735.43</b>	<b>1.99</b>	<b>32,303.37</b>	<b>26,309.01</b>	<b>31,871.26</b>
Previous Year	58,303.08	138.11	-	58,441.19	21,261.07	5,308.87	-	26,569.94	31,871.25	37,042.29

PARTICULARS	Rupees in Lakhs	
	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 13: Non-current investments</b> (At cost unless otherwise stated)		
Trade		
Book value of unquoted investments	-	-
	-	-
<b>Note 14: Deferred tax Asset (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	(1,048.88)	-
	(1,048.88)	-
Deferred tax asset:		
Provision for employee benefits	73.74	-
Provision for doubtful trade receivables, loans and advances	2,281.10	-
Unabsorbed /Depreciation	-	-
	2,354.84	-
Deferred tax liabilities (net)	1,305.96	-
<b>Note 15: Long-term loans and advances</b>		
i) (Unsecured and considered good)		
a) Capital Advances	9,062.09	9,374.39
b) Security deposits	3,239.61	3,208.62
c) Loans and advance to related parties	645.41	647.83
d) MAT credit entitlement	1,777.52	1,777.52
	14,724.63	15,008.36
<b>Note 16: Inventories (At lower of cost and net realisable value)</b>		
Raw Materials	338.81	288.89
Finished Goods	348.16	232.49
Stock in Progress	28.14	21.92
	715.10	543.30
<b>Note 17: Trade receivables (Unsecured)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	1,06,443.79	1,31,768.06
Considered Doubtful	7,030.67	7,020.68
	1,13,474.46	1,38,788.74
Less: Provision for doubtful trade receivables	(7,030.67)	(7,020.68)
(A)	1,06,443.79	1,31,768.06
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	336.47	367.61
Considered Doubtful	-	-
	336.47	367.61
Less: Provision for doubtful trade receivables		
(B)	336.47	367.61
(A+B)	1,06,780.26	1,32,135.67

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2015	As at 30 Sep 2013 (Restated)
<b>Note 18: Cash and bank balances</b>		
Cash and cash equivalents		
Cash on Hand	0.36	1.56
Balances with Banks:		
In current accounts	185.86	2,017.90
In EEFC account	0.94	0.95
In Deposit accounts	10.99	15.16
Other bank balances		
In Ear marked Accounts		
Margin Money deposits	248.25	245.20
In Dividend Account	12.84	10.45
Balance held as margin monies (Refer note below)		
	<b>459.23</b>	<b>2,291.23</b>
Note : The Company has not provided for interest on some of the deposits		
<b>Note 19: Short-term loans and advances</b>		
Security deposits	173.17	185.86
Loans and advances to employees	45.64	31.04
Prepaid expenses	1,659.85	46.24
CENVAT credit receivable	2.09	-
Service tax credit receivable	34.70	-
TDS receivable	17.98	165.75
Advances for supply of goods and rendering of services	397.85	180.21
Others	0.18	8.55
Less: Provision for Doubtful Advances	(14.08)	(14.08)
	<b>2,317.39</b>	<b>603.57</b>
<b>Note 20: Other current assets</b>		
Interest accrued but not due on deposits	44.16	112.41
Advance tax	3,472.96	3,243.66
	<b>3,517.11</b>	<b>3,356.07</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

Rupees in Lakhs

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 21: Revenue from operations</b>		
<b>A) Exports- Software</b>		
Value Added Domestic	-	-
Self Developed Exports	-	-
<b>B) Manufacturing</b>	<b>1,865.96</b>	988.57
<b>C) Trading</b>		
Software	-	-
Hardware	-	-
<b>D) Services</b>	<b>8,951.49</b>	14,337.25
<b>E) Other Operating Revenue</b>		
Sale of scrap	-	-
<b>Total</b>	<b>10,817.45</b>	15,325.82

Particulars of sale of products	Eighteen Months Period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
<b>A Manufactured goods</b>				
Cards & RFID	82,43,125	1,865.96	20,24,011	988.57
<b>Total</b>	<b>82,43,125</b>	<b>1,865.96</b>	<b>20,24,011</b>	<b>988.57</b>
<b>B Traded goods</b>				
High sea sales	-	-	-	14,337.25
Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,337.25</b>
<b>Total</b>	<b>82,43,125.00</b>	<b>1,865.96</b>	<b>20,24,011.00</b>	<b>15,325.82</b>

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 22: Other Income</b>		
a) Interest on deposit with banks and others	3.14	25.08
b) Exchange gain (net)	(273.63)	6,282.63
c) Creditors no longer payable	-	-
d) Miscellaneous income	6,473.61	11.29
	<b>6,203.12</b>	<b>6,319.00</b>

Rupees in Lakhs

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 23.a: Cost of materials consumed</b>		
Opening Stock	288.89	268.32
Add : Purchases	5,088.32	305.01
	<u>5,377.21</u>	<u>573.33</u>
Less : Closing stock	338.81	288.89
	<u>5,038.40</u>	<u>284.44</u>

Details of raw materials consumed	Eighteen Months period ended 31 Mar 2015		Year Ended 30 Sep 2013 (Restated)	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	82,87,767	5,038.40	30,02,741	284.44
Software	-	-	-	-
<b>Total</b>	<u>82,87,767.00</u>	<u>5,038.40</u>	<u>30,02,741.00</u>	<u>284.44</u>

<b>Note 23.b: Details of purchase of traded goods</b>				
High sea purchases	-	-	-	3,776.66
Others	-	-	-	8,788.04
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,564.70</u>

Particulars	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade</b>		
Inventories at the beginning of the year:		
Finished goods	232.49	206.66
Work in progress	21.92	32.86
Stock in trade	-	-
	<u>254.41</u>	<u>239.52</u>
Inventories at the end of the year:		
Finished goods	348.16	232.49
Work in progress	28.14	21.92
Stock in trade	-	-
	<u>376.29</u>	<u>254.41</u>
<b>Net (increase) / decrease</b>	<u>(121.88)</u>	<u>(14.89)</u>
<b>Note 24: Employee benefit expense</b>		
Salaries, wages and bonus	1,673.08	1,968.23
Contribution to provident and other funds	63.60	82.64
Staff welfare expenses	7.55	5.52
	<u>1,744.23</u>	<u>2,056.40</u>

Note : Provision for Gratuity fund and leave encashment is made on ad hoc basis and not as per the actuarial valuation as per AS-15. No bonus is provided in the accounts for the year under consideration.

Particulars	Rupees in Lakhs	
	Eighteen Months period ended 31 Mar 2015	Year Ended 30 Sep 2013 (Restated)
<b>Note 25: Finance costs</b>		
Interest expense on Borrowings	6,973.33	5,029.27
Others	31.42	17.41
	<u>7,004.75</u>	<u>5,046.68</u>
<b>Note 26: Other expenses</b>		
Advertisement	44.04	125.77
Bank charges	5.01	9.94
Service related Expenses	7,167.02	1,013.68
Business promotion	9.83	0.02
Communication	78.36	60.01
Directors' Sitting fees	1.20	1.00
Factory maintenance	-	0.20
Insurance	28.79	5.99
Job work charges	9.00	5.06
Legal and professional	73.29	110.66
Miscellaneous expenses	34.48	69.89
Other manufacturing expenses	7.83	0.05
Power and fuel	65.92	19.76
Payments to auditors (Refer Note (i) below)	13.20	15.75
Printing and stationery	11.36	38.22
Project Expenses	-	4.20
Bad Debts / Sundries Write off	10.84	0.40
Rates and taxes	3.84	1.31
Rent	58.99	35.13
Lease rentals	-	231.54
Repairs and Maintenance-Machinery	1.89	2.48
Server Maintenance Charges	11.90	-
Postage & Courier	14.52	-
Vehicle Hire Charges	14.20	-
Repairs and Maintenance-Others	44.33	35.67
Enrolment Expenses	986.52	123.70
Security Charges	3.81	38.76
Travelling and conveyance	164.34	77.47
Provisions for Advances / Claims /debts	-	6,585.26
	<u>8,864.51</u>	<u>8,611.92</u>

**27. 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 Asia Pte Ltd.	Singapore	100%
Bartronics Middle East FZE	UAE	100%

**28. Contingent Liabilities:**

Rs & USD. In Lakhs

Particulars	As At 31.03.2015	As At 30.09.2013 (Restated)
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	Rs.591.30	Rs.590.14
Corporate Guarantees	-	\$ 150

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

Disputed Taxes	As At 31.03.2015	As At 30.09.2013 (Restated)
Income Tax	1975.47	1965.33
Sales Tax	13.85	127.74

**30.** Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,062.09 lakhs (30.09.2013 Rs. 9,374.39 lakhs)] Rs1,355.54 lakhs (30.09.2013: Rs. 1,340.56 lakhs).

**31. Reserves & Surplus:**

**Securities Premium:**

- a) In this Period the company has arrived at an “One time settlement (OTS) of dues with its some of the lenders, as a result the lenders have agreed to waive the principal amount of Rs.97,421,014/-, Interest amount of Rs.41,139,319/- and leased rental charges of Rs.72,184,847/-. The waiver of the principal amount is credited to Capital reserve A/c and interest & Leased rental charges amount is credited to Other Income account.

**32. Unsecured Loans:**

**Foreign Currency Convertible Borrowings (FCCB):**

Bartronics India Ltd. had issued Foreign Currency Convertible Bonds (FCCB) for an aggregate sum of USD 50mn in January 2008. These bonds got matured in February 2013. In this regard the company had filed a request for an extension of the maturity of the bonds to May 4, 2014 with Reserve Bank of India which was granted by them vide their letter dated February 21, 2014.

The company has appointed M/s Avista Advisory Group to assess all the options available with the company and finalize best suited approach in order to address the maturity. The options available with the company include restructuring the bonds i.e. rolling over the bonds for next five years or replacing the bonds with fresh bonds, or redeeming all the bonds at a mutually agreeable price. With these available options; the Company, along with M/s Avista Advisory Group has got in touch with the bondholders and has initiated discussions which are at advanced stages now. The company has applied for further extension of the maturity date with Reserve Bank of India and the company is waiting to hear from RBI to move forward. The company is confident of addressing the maturity of Bonds shortly.

	As At 31.03.2015		As At 30.09.2013 (Restated)	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	31,426.00	31,426.00	26,325.00	26,325.00
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	--	--	5,101.00	5,101.00
Less: Foreign Exchange Gain (net)	123.80	123.80	-	-
Closing Balance	31302.20	31302.20	31,426.00	31,426.00

**33. Sales:****Self Developed Software**

The Development cost for self-developed software's has been charged to the profit & loss accounts in the earlier years.

**34. Related Party Disclosures:****1. Key Management Personnel**

Mr. Sudhir Sundar Rao – Managing Director

**A. Related Party Transactions:**

Rs. in Lakhs

Transactions	Subsidiaries		Key Management Personnel	
	2013-15	2012-13 (Restated)	2013-15	2012-13 (Restated)
<b>Diminution in value of Investment.</b>				
ROI Public Relations Pvt Ltd.	-	-	-	-
<b>Advances Written-Off</b>				
<b>Advances to</b>				
<b>Remuneration Paid</b>				
Mr. Sudhir Sundar Rao	-	-	-	82.18

**35. Auditors' Remuneration**

Rs in Lakhs

Particulars	2013-15	2012-13 (Restated)
Audit Fees	8.00	10.00
Limited Reviews	4.00	5.00
Other Services	0.20	0.75
Auditors of Subsidiaries		
Audit fees	--	--
Total	12.20	15.75

The above excludes applicable service tax and cess thereon.

**36. Segment Reporting**

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

b. Information relating to Secondary Segment based on geographical location Rs. in Lakhs

Particulars	2013-2015	2012-2013 (Restated)
<b>Segment Revenue</b>		
- Within India	3,930.12	880.29
- Outside India	6,887.33	14,445.53
<b>Total Revenue</b>	<b>10,817.45</b>	<b>15,325.82</b>
<b>Segment Assets</b>		
- Within India	60,074.00	33,989.48
- Outside India	97,802.98	153,553.28
<b>Total Assets</b>	<b>157,876.98</b>	<b>187,542.76</b>
<b>Segment Liabilities</b>		
- Within India	74,320.68	55,108.63
- Outside India	57,391.39	95,825.31
<b>Total Liabilities</b>	<b>131,712.07</b>	<b>150,933.94</b>
<b>Capital Expenditure</b>		
<b>Tangible Assets:</b>		
- Within India	201.47	1.15
- Outside India	-	-
<b>Intangible Assets:</b>		
- Within India	0.50	136.96
- Outside India	-	-
<b>Total Capital Expenditure</b>	<b>201.98</b>	<b>138.11</b>

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

Particulars	As At 01.10.2013 (Restated)	Movement During the Year	As At 31.03.2015
<b>Deferred Tax Liability:</b>			
Relating to Fixed Assets	(2603.36)	1554.48	<b>(1048.88)</b>
<b>Total</b>	<b>(2603.36)</b>	<b>1554.48</b>	<b>(1048.88)</b>
<b>Deferred Tax Assets:</b>			
Provision for Doubtful Debts / Advances / Deposits	2363.50	(82.40)	<b>2281.10</b>
Disallowances under Section 43B	61.88	11.86	<b>73.74</b>
<b>Total</b>	<b>2425.38</b>	<b>(70.54)</b>	<b>2354.84</b>
<b>Net Deferred Tax Asset</b>	<b>(177.98)</b>	<b>1483.94</b>	<b>1305.96</b>

Note: The Company based on expert opinion the deferred tax expense in the previous year has been recognized using previous year applicable effective tax rate being Minimum Alternate Tax (MAT) rate and in the current year calculated at the regular tax rate enacted at the balance sheet date.

## 38. Earnings Per Share:

Particulars	2013-15	2012-13 (Restated)
Profit after Taxation (Rs. in Lakhs)	<b>(9865.90)</b>	(7666.46)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	<b>(9865.90)</b>	(7666.46)
Weighted average number of equity shares used in computing Basic Earnings Per Share	<b>34048861</b>	34048861
Add: Effect of potential equity shares on conversion of FCCB and Warrants outstanding	--	--
Weighted average number of equity shares used in computing Diluted Earnings Per Share	<b>34048861</b>	34048861
Earnings per share – Face Value: Rs.10/- each		
- Basic	<b>(28.98)</b>	(22.52)
- Diluted	<b>(28.98)</b>	(22.52)

**39. Disclosures as required under Accounting Standard AS-15**

The company liability on account of Employee benefits comprising Gratuity- a defined benefit scheme and compensated absences has been determined in accordance with the requirements of Accounting Standard (AS)-15 notified by the Companies (Accounting Standards) Rules, 2006. Disclosures required in terms of the requirement of AS-15.

(Rupees in lakhs)

<b>Expenses recognised in statement of profit and loss account</b>			
<b>Particulars</b>	<b>Gratuity</b>	<b>Compensated Absences</b>	<b>Total</b>
Current Service Cost	15.12	13.85	28.97
	<i>9.02</i>	<i>(43.10)</i>	<i>(34.08)</i>
Interest Cost	6.19	2.40	8.59
	<i>8.11</i>	<i>5.17</i>	<i>13.28</i>
Actuarial (Gains)/Losses	(3.85)	(1.28)	(5.13)
	<i>(66.77)</i>	<i>(5.17)</i>	<i>(71.94)</i>
Total expense included in the Statement of Profit & Loss	17.45	14.97	32.42
	<i>(49.64)</i>	<i>(43.10)</i>	<i>(92.74)</i>
<b>Net Liability recognized in Balance Sheet</b>			
Present Value of Defined Benefit Obligation	45.82	31.60	77.42
	<i>95.46</i>	<i>17.75</i>	<i>113.21</i>
Fair Value on Plan Assets	-	-	-
	-	-	-
Net Liability recognised in Balance Sheet	59.54	31.60	91.14
	<i>45.82</i>	<i>17.75</i>	<i>63.57</i>
<b>Change in Defined Benefit Obligations (DBO)</b>			
Present Value of DBO at Beginning of Period / Year	45.82	17.75	63.57
	<i>95.46</i>	<i>60.85</i>	<i>156.31</i>
Current Service Cost	15.12	13.85	28.97
	<i>9.02</i>	<i>(43.10)</i>	<i>(34.08)</i>
Interest Cost	6.18	2.40	8.58
	<i>8.19</i>	<i>5.17</i>	<i>13.28</i>
Actuarial (Gains)/Losses	(3.85)	(1.28)	(5.13)
	<i>(66.77)</i>	<i>(5.17)</i>	<i>(71.94)</i>
Benefits Paid	(3.74)	(1.12)	(4.86)
	-	-	-
Present Value of DBO at the End of Period/Year	59.53	31.60	91.13
	<i>45.82</i>	<i>17.75</i>	<i>63.57</i>
<b>Assumptions</b>			
Interest / Discount Rate			7.80%
			<i>9.00%</i>
Rate of escalation in salary			7.00%
			<i>7.00%</i>
Attrition Rate			4.00%
			<i>4.00%</i>

Note: Figures in italics relate to previous year

**i. Discount Rate**

The discount rate is based on the prevailing market yield on Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

ii. **Salary Escalation Rate**

The estimates of future salary increase considered takes into account the inflation, seniority and other relevant factors

<b>Net Asset/(Liability) recognized in Balance Sheet</b>					
Particulars	2013-15	2012-13 (Restated)	2011-12	2010-11	2009-10
	<b>Gratuity</b>				
Present value of defined benefit obligation	<b>59.53</b>	45.82	95.45	44.46	46.47
Fair value of plan assets	-	-	-	-	
Status [Surplus / (Deficit)]	<b>(59.53)</b>	(45.82)	(95.45)	(44.46)	(46.47)
	<b>Compensated Absences</b>				
Present value of defined benefit obligation	<b>31.60</b>	17.75	60.85	21.5	7.25
Fair value of plan assets	-	-	-	-	
Status [Surplus / (Deficit)]	<b>(31.60)</b>	(17.75)	(60.85)	(21.5)	(7.25)

40. **Current Income Tax:**

Current tax represents income tax payable as per relevant tax laws for the foreign operation in the countries in which they are domiciled.

41. The Company's significant leasing arrangements are in respect of operating leases for premises (offices, equipments etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent expense to the profit and loss account.
42. The Company was awarded the "Aapke Dwar" Project in 2009 by the Municipal Corporation of Delhi (MCD). The project envisages availment of various Governments to Citizen (G2C) services. The Company is required to install and operate 2,000 kiosks at various locations in the city to facilitate the above. The Company has also the right to display advertisements on the external walls of the kiosks.

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,340.56 Lakhs (2012-13 : Rs. 1,426.34 lakhs). Further amounts aggregating to Rs. 9374.39 Lakhs (2012-13:Rs.13,688.82 lakhs) has been advanced for work to be carried out.

In view of the unseemly delays in the allocation of sites by the MCD, the Company has filed a petition in the High Court of Delhi which has initiated the process of arbitration. The Company is confident of arriving at an amicable solution shortly

43. Previous period figures have been restated as suggested by the NSE.

For and on behalf of the Board of Directors

**Sudhir Sundar Rao**  
Managing Director

**A. B. Satyavas Reddy**  
Director

Place: Hyderabad  
Date: 20.05.2015



# BARTRONICS INDIA LIMITED

Survey No. 351, Raj Bollaram Village, Medchal Mandal, R.R. Dist., Telangana - 501 401.

CIN : L29309AP1990PLC011721

Member's Folio Number .....

No.of Shares held .....

## ATTENDANCE SLIP (23rd 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 23rd Annual General Meeting held on Monday, June 29th, 2015 at 11.00 A.M. at Survey No. 351, Raj Bollaram Village, Medchal Mandal, R.R. Dist., Telangana - 501 401.

To be signed at the time of handing over this slip

.....

Member's / Proxy's Signature



Form No. MGT-11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L29309AP1990PLC011721  
Name of the company : Bartonics India Limited  
Registered office : Survey No. 351, Raj Bollaram Village, Medchal Mandal, R R Dist, Telangana – 501 401.

Name of the Member(s):	E-Mail Id:
Registered Address:	
Folio No./Client Id:	DP Id:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:
or failing him;	
Name:	Address:
E-mail Id	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ..... Annual general meeting of the company, to be held on the ..... day of ..... At ..... a.m. / p.m. at .....(place) and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolution	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statement for the period ended 31st March, 2015		
2.	Re-appointment of Mr. A. B. Satyavas Reddy, who retires by rotation.		
3.	Re-appoint of M/s Raghavendra & Associates, Chartered Accountants as Statutory Auditors of the Company.		
	<b>Special Business</b>		
4.	Appointment of Mr. C. Prakash Ramaiah as an Independent Director in terms of Section 149 of the Companies Act, 2013.		
5.	Appointment of Mrs. A. Syamala Reddy as an Independent Director in terms of Section 149 of the Companies Act, 2013.		
6.	To appoint Mr. K. Udai Sagar an Independent Director in terms of Section 149 of the Companies Act, 2013.		
7.	To appointment of Mr. Sudhir Sundar Rao, as Managing Director & Key Managerial Person of the Company.		
8.	Adoption of new set of Articles of the Company pursuant to Section 14 of the Companies Act, 2013.		
9.	Approve the Borrowing Limits upto Rs. 1,500 Crores in terms of Section 180 (1)(c) of the Companies Act, 2013.		
10.	Mortgage and/or charge any of its movable and / or immovable properties of the Company in terms of Section 180 (1) (a) of the Companies Act, 2013.		

Signed this ..... day of ..... 20 .....

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp
---------------------------

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23rd Annual General Meeting.
3. It is optional to put a 'P' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Form No. MGT-12

## POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: Bartronics India Limited
Registered office	: L29309AP1990PLC011721

### BALLOT PAPER

S.No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
	<b>Ordinary Business</b>			
1.	Adoption of Financial Statement for the period ended 31st March, 2015			
2.	Re-appointment of Mr. A. B. Satyavas Reddy, who retires by rotation.			
3.	Re-appoint of M/s Raghavendra & Associates, Chartered Accountants as Statutory Auditors of the Company.			
	<b>Special Business</b>			
4.	Appointment of Mr. C. Prakash Ramaiah as an Independent Director in terms of Section 149 of the Companies Act, 2013.			
5.	Appointment of Mrs. A. Syamala Reddy as an Independent Director in terms of Section 149 of the Companies Act, 2013.			
6.	To appoint Mr. K. Udai Sagar an Independent Director in terms of Section 149 of the Companies Act, 2013.			
7.	To appointment of Mr. Sudhir Sundar Rao, as Managing Director & Key Managerial Person of the Company.			
8.	Adoption of new set of Articles of the Company pursuant to Section 14 of the Companies Act, 2013.			
9.	Approve the Borrowing Limits upto Rs. 1,500 Crores in terms of Section 180 (1)(c) of the Companies Act, 2013.			
10.	Mortgage and/or charge any of its movable and / or immovable properties of the Company in terms of Section 180 (1)(a) of the Companies Act, 2013.			

Place:

Date:

(Signature of the shareholder)

Polling paper with serial number and instructions will be distributed at the venue of AGM.

## INSTRUCTIONS

1. This Ballot paper is for the members who have not voted through e-voting facility. A member can opt for only one mode of voting i.e., either through e-voting or by Ballot paper. If a Member casts votes in both the modes, then vote cast through e-voting shall prevail and Ballot paper shall be treated as invalid.
2. The vote should be cast either in favour or against by putting the tick(3) mark in the column provided for assent or dissent. Ballot paper bearing tick marks in both the columns will be treated as invalid. Please do not use pencil.
3. This form should be completed and signed by the Member/Proxy Holder as per the specimen signatures registered with the Company/Depository. In case of joint holding this form should be completed and signed by the first named member.
4. Any cutting/overwriting on this Ballot paper should be signed by the shareholder/proxy holder.
5. Unsigned, incomplete, improperly or incorrectly tick marked Ballot papers will be rejected. A Ballot paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
6. The decision of Scrutinizer on the validity of the Ballot paper and any other related matter shall be final.
7. The Scrutinizer will collate the votes downloaded from the e-voting system and votes cast through Ballot paper to declare the final result for each of the Resolutions enumerated above.
8. The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website : [www.bartronics.com](http://www.bartronics.com) and on the website of [www.bighshareonline.com](http://www.bighshareonline.com) within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

**PRINTED MATTER  
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*If undelivered please return to:*

**BARTRONICS INDIA LIMITED**

*Registered Office:*

Survey No. 351, Raj Bollaram Village, Medchal Mandal, R.R. Dist.,  
Telangana - 501 401

[www.bartronics.com](http://www.bartronics.com)

