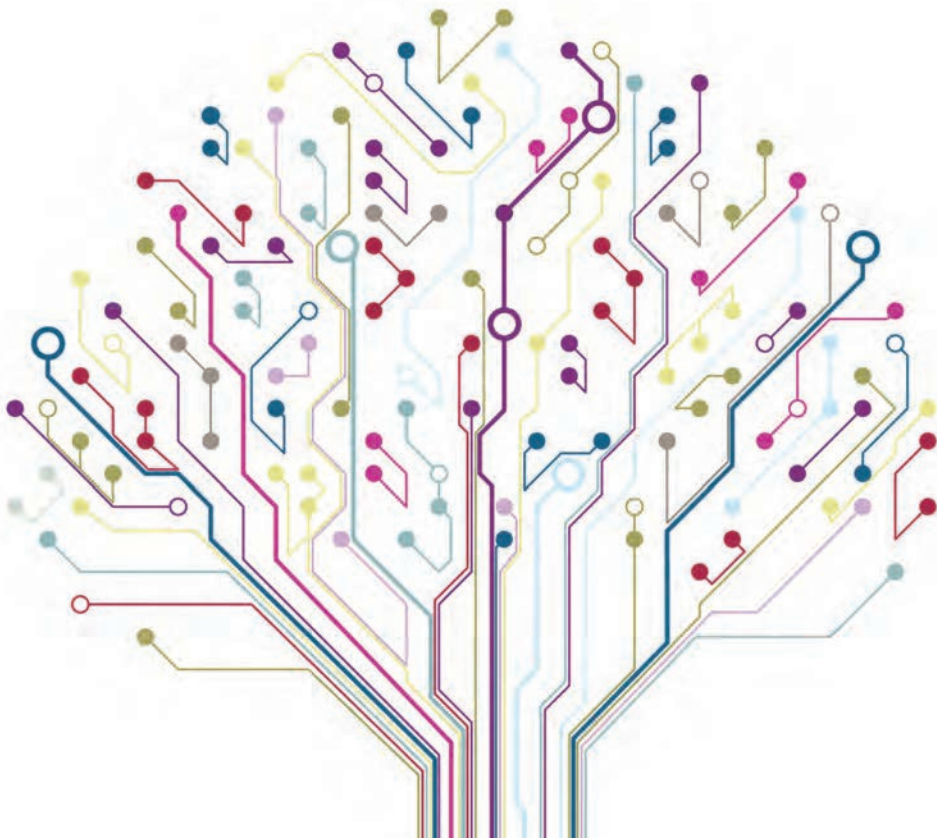


# **24<sup>th</sup> ANNUAL REPORT**

## **2015 - 16**



**Bartronics India Limited**

## CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. K. Udai Sagar, Managing Director Mr. A. B. Satyavas Reddy, Director Mrs. A. Syamala Reddy, Independent Director Mrs. V. Geetha, Independent Director
MANAGEMENT COMMITTEE	:	Mr. A. B. Satyavas Reddy Mr. K. Udai Sagar
AUDIT COMMITTEE	:	Mrs. A. Syamala Reddy, Chairman Mr. A. B. Satyavas Reddy, Member Mrs. V. Geetha, Member
STAKEHOLDERS RELATIONSHIP COMMITTEE	:	Mrs. V. Geetha, Chairman Mr. A. B. Satyavas Reddy, Member Mr. K. Udai Sagar, Member
NOMINATION AND REMUNERATION COMMITTEE	:	Mrs. A. Syamala Reddy, Chairman Mr. A. B. Satyavas Reddy, Member Mrs. V. Geetha, Member
RISK MANAGEMENT COMMITTEE	:	Mrs. A. Syamala Reddy, Chairman Mr. A. B. Satyavas Reddy, Member Mrs. V. Geetha, Member
COMPLIANCE OFFICER	:	Mr. K. Udai Sagar
COMPANY SECRETARY	:	Ms. Isharath Unnisa Begum
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

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  
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 24<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the Members of the Company will be held on Monday, the 26th day of September, 2016 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 standalone and consolidate financial statements of the Company for the financial year ended 31st March, 2016, including the audited Balance Sheet as at 31st March, 2016, the Statements of Profit and Loss and Cash Flow Statements for the financial year ended on that date and the report 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 appoint M/s T. Raghavendra & Associates (Membership No. 023806), Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

4. **To consider and approve the appointment of Mr. K. Udai Sagar, 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule - V to the Companies Act, subject to all guidelines for managerial remuneration issued by the Central Government from time to time and approval of Central Government, required if any,

and such other consents and approvals as may be required, and as recommended by the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to appoint Mr. Udai Sagar Kanukolanu (DIN: 03298532), as the Managing Director, a Whole time Key Managerial Personnel (KMP), of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company, for a period not exceeding three (03) years, effective from, 13th November, 2015 till 12th November, 2018 on such remuneration as may be decided by the Board.”

“RESOLVED FURTHER THAT the terms of the appointment of Mr. Udai Sagar Kanukolanu shall be subject to revision by the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution), from time to time during the tenure of the appointment, taking into account the performance of the Company, within the overall limit as provided in the provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby directed and severally authorised to complete necessary statutory formalities to give effect to the resolution and to do all such acts, deeds, matter and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution from time to time and execute all necessary documents, applications and returns along with filing of necessary E-form with

the Registrar of Companies, Andhra Pradesh & Telengana”.

**5. To appoint Mrs. V. Geetha (DIN: 03271922) 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. V. Geetha (DIN: 03271922), who was earlier appointed as an Additional Director (Independent Director) w.e.f., 13th October, 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. V. Geetha 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 13th October, 2015 to 12th October, 2020, whose period of office shall not be liable to retire by rotation”.

**6. 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 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

**Mr. K. Udai Sagar**  
Managing Director  
(DIN: 03298532)

Place: Hyderabad  
Date: 12th August, 2016.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE, THAT IS ALLOWED ONE OR MORE PROXIES 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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights and such person, who shall not act as a proxy for any other member.

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. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/DP ID-Client ID to enable us to give you a duly filed attendance slip for your signature and participation at the meeting.
4. Members who hold shares in dematerialized form and want to change/correct the Bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR code of their Bank to their Depository participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the Bank account details. The Registrar is obliged to use only the data provided by the Depositories, in case of such demat shares.
5. Non-resident Indian Shareholders are requested to inform about the following immediately to the Share Transfer Agent or the concerned Depository as the case maybe:-
  - a. the change of residential status on return to India for permanent settlement.
  - b. the particulars of NRE Account with a Bank in India, if not furnished earlier.
6. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 04 to 06 of the notice is annexed hereto.
7. 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).
8. The details under regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the uniform Listing Agreement with the Stock Exchanges in respect of Director seeking appointment/re-appointment at the Annual General Meeting is annexed hereto.
9. The Share Transfer Books and Register of Members of the Company will remain closed on Friday 23rd September, 2016 (One day only).
10. 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.
11. 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.
12. 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.
13. 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.

14. Electronic copy of the Annual Report for 2015-16 (including Notice of the 24th 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 2015-16 is being sent in the permitted mode.
15. 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.
16. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2015-16 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 for inspection during normal business hours on working days.
17. 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 24th 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 20th September, 2016 at 9.00 a.m., and ends on 25th September, 2016 at 5.00 p.m.

Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary (having CP No. 5360), 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 20th September, 2016 at 9.00 a.m., and ends on 25th September, 2016 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 16th September, 2016, 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>
Dividend Bank Details OR DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both 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</p>

(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 <160831118> for the relevant Company <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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

## (xix) 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.

(xx) 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 OF THE COMPANIES ACT, 2013 (“the Act”):**

The following statement sets out all material facts relating to the business mentioned in Item No. 04 to 06 of the accompanying Notice:

**Item No. 04:**

Mr. K. Udai Sagar is an MBA from Bombay University. He started his career with a stint with Government of India’s PSU and later worked for various companies, including Global American Technologies, Atlanta, GA, USA, Tertium International Inc (a spin-off of Sofinov – one of Canada’s largest Incubator Fund for commercialization of new and advanced technologies) and United States Investments Associates LLC (a Dallas based venture capital advisory group), which helps investments across multiple sectors of businesses and geographies.

In 2000 and 2001 he was an Advisor to the Government of Israel IT Mission to promote Israeli Technology to the banking sector in India. He was awarded the International Trade Award of Israel by the Prime Minister of Israel Mr. Ehud Olmert, for helping the bi-lateral trade between India and Israel.

Brief resume of Mr. K. Udai Sagar, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships /chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement entered with the Stock Exchanges has been provided and forming part of the Annual Report of the Company.

It is now proposed to seek the Shareholders’ approval for appointment of Mr. K. Udai Sagar as Managing Director, liable to retire by rotation and a Key Managerial Personnel, in terms of the applicable provisions of the Companies Act, 2013 (“Act”) with effect from 13th November, 2015 for a period of three years, on the existing terms and conditions.

In accordance with the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013, approval of shareholders is required for appointment of Mr. K. Udai Sagar.

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. 4 of the Notice for approval by the shareholders.

**Item No.05:**

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. V. Geetha (DIN: 03271922) who was appointed as Additional Director (Independent Director) on 13th October, 2015 by the Board of Directors, as an Independent Director of the Company who shall hold office for a term up to 5 (five) consecutive years with effect from 13th October, 2015 to 12th October, 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. V. Geetha (DIN: 03271922) as Independent Director of the Company.

The Company has also received declarations from Mrs. V. Geetha (DIN: 03271922) 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. V. Geetha (DIN: 03271922) 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 to her 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 Regulations of the SEBI (Listing Obligation and Disclosure Requirements)

Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges are provided in Annexure to the Notice.

Mrs. V. Geetha (DIN: 03271922) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered 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. 06:**

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 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. 06 of the Notice for approval of members of the Company.

BY ORDER OF THE BOARD

Place: Hyderabad

**Mr. K. Udai Sagar**

Date: 12th August, 2016.

Managing Director

**Route Map to the AGM Venue i.e Bartronics India Ltd, Survey No. 351, Raj Bollaram Village, Medchal Mandal, RR District - 501 401, Hyderabad.**



**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting:** (pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Name of Director	Mrs. V. Geetha	Mr. K. Udai Sagar
Director Identification Number	03271922	03298532
Date of Birth	11.01.1950	24.08.1961
Date of Appointment	13.10.2013	14.05.2013
Expertise in specific functional areas	Mrs. V. Geetha is having an industrial experience of more than 35 years	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.
Qualification	B.A.	MBA
Directorship held in other public companies (excluding foreign companies)	Gem Telecom Limited	Sree Ramakrishna Alloys Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholder Relationship Committee).	Nil	Nil
Shareholdings in the Company	Nil	Nil
Relationship between the Directors inter-se	Nil	Nil

## DIRECTORS' REPORT

To the Members,

The Board of Directors have pleasure in presenting the Twenty Fourth Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2016.

### I. FINANCIAL PERFORMANCE:

Your Company has achieved a turnover of Rs. 6,197.98 lakhs for the financial year ended 31st March, 2016 against the turnover of Rs. 4,387.06 lakhs for the previous year ended 31st March, 2015, recording a growth of 41.28%. Key highlights of financial performance of your Company for the financial year 2015-16 are provided below:

(Rs. in Lakhs)

Particulars	2015-16 (12 months)	2013-2015 (18 months)
Profit Before Depreciation & Interest	2937.50	(47.89)
Financial Costs	5364.15	7,004.75
Depreciation	1115.93	5,721.11
Profit Before Tax	(3542.58)	(12,773.75)
Provision for Tax		
- Current Tax	-	-
- Deferred Tax	(224.90)	(1,528.94)
Profit After Tax	(3317.69)	(11,244.81)
Balance of profit brought forward from earlier years	(8397.70)	2,847.11
Add: Excess Provision for IT written off	-	-
Profit available for appropriation	(11715.39)	(8,397.70)
Appropriations:	-	-
Proposed Dividend:	-	-
- Equity	-	-
- Preference	-	-
- Dividend Tax	-	-
Balance of Profit	(11715.39)	(8,397.70)

### Business:

Your Company started with proving solutions based on barcode and has emerged as leading player in the country to provide solutions using umbrella of AIDC technologies. Your Company also has state of the art manufacturing facility with the capacity to manufacture 80mn smart cards per annum. Using these two synergies the Company could successfully venture into Financial Inclusion projects driven by Reserve Bank of India

popularly known as "Jan Dhan Yojana". The exposure to government driven projects give your Company revenue visibility and we expect this momentum to continue given the un-deterred Government's focus.

### Foreign Currency Convertible Bonds (FCCB):

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, 2016 out of FCCB 2013 issue	Nil
Outstanding FCCBs as on 31st March, 2016 (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 May 4, 2014 with Reserve Bank of India which was granted vide letter dated February 21, 2014. The Company has applied for further extension of the maturity of the Bonds to RBI and is waiting to hear from them 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, 2016.

**Consolidated Financial Statements:**

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 financial year 2015-2016.

**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 December 21, 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 share 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 June 22, 2010 as a wholly owned subsidiary of Bartronics India Limited with a share capital of AED 1,50,000 Shares.

A separate statement containing the salient features of the Financial Statement for the financial year ended 31st March, 2016 of the aforesaid Subsidiary Companies are included in the Annual Report as Form AOC-1 as an Annexure - I.

**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.

**II. BUSINESS OUTLOOK:**

Your Company started with proving solutions based on barcode has emerged as leading player in the country to provide solutions using umbrella of AIDC technologies. Your Company also has state of the art manufacturing facility with the capacity to manufacture 80mn smart cards per annum. Using these two synergies the Company could successfully venture into Financial Inclusion projects driven by Reserve Bank of India popularly known as “Jan Dhan Yojana”. The exposure to government driven projects give your Company revenue visibility and we expect this momentum to continue given the un-deterred Government’s focus.

**Management Discussion and Analysis Report:**

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis report on your Company’s performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, forms a part of this Report. The MD&A report provides a consolidated perspective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to all our stakeholders and includes aspects of reporting as required by Regulation 34 of the Listing Regulations with Stock Exchange on Business Responsibility Report.

### III. GOVERNANCE AND ETHICS:

#### Corporate Governance:

Your Company believes in adopting best practices of corporate governance. A sound Corporate Governance is critical to enhance and retain stakeholders' trust. Corporate Governance principles forms core values of the Company. These guiding principles are also articulated through the Company's code of conduct, corporate governance guidelines, committees and disclosure policy.

As per regulation 34 of the Listing Regulations, a separate Section on corporate governance practices followed by your Company, together with a certificate from Y. Ravi Prasada Reddy, Practising Company Secretary, on compliance with corporate governance norms under the Listing Regulations, forms part of the report on Corporate governance.

#### Board of Directors and Key Managerial Personnel:

The Board comprises of one Executive Director and four Non-Executive Directors of which three are Independent Directors.

Definition of 'Independence' of Directors is derived from regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations from the Independent Directors stating that they meet the prescribed criteria for independence.

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 Mrs. V. Geetha as an Additional Director (Independent) of the Company w.e.f. 13th October, 2015.

Pursuant to the recommendation of Board Governance, Nomination and Remuneration Committee, the Board at its meeting held on 13th November, 2015 approved, subject to members' approval, appointment of Mr. K. Udai Sagar as Executive Director and Managing Director from 13th November, 2015 to 12th November, 2018 for a period of 3 years.

The Resolutions proposing their reappointment/appointments as Directors will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the Company.

Mr. Prakash Ramaiah Independent Director of the

Company resigned from the Board of Directors with effect from 30th June, 2016. The Board placed on record its appreciation for the outstanding contribution made by Mr. Prakash Ramaiah.

None of the Directors of your Company is disqualified under Section 162 (2) of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

Ms. Isharath Unnisa Begum is appointed as the Company Secretary and Key Managerial Personnel by the Board at its meeting held on 12th August, 2016.

#### Committees of the Board

The Company's Board has the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Risk Management Committee

Details of terms of reference of the Committees, Committee membership and attendance at meetings of the Committees are provided in the Corporate Governance report.

#### Number of Meetings of the Board:

The Board met 5 (Five) times during the financial year 2015-16 on 14th May, 2015, 12th August, 2015, 07th September, 2015, 13th November, 2015, and 12th February, 2016. The maximum time gap between any consecutive meetings did not exceed 120 days.

#### Board Evaluation:

The Board of Directors evaluated the annual performance of the Board as a whole, its committee's and the Directors individually in accordance with the provisions of the Companies Act, 2013 and Listing Regulations in the following manner:

- Structured evaluation forms, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.



- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 31st March, 2016 to have the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

### Related Party Transactions

As a part of its philosophy of adhering to highest ethical standards, transparency and accountability, your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions.

All Related Party Transactions are placed on a quarterly basis before the Audit, Committee and also before the Board for approval. Prior omnibus approval of the Audit, Risk Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The requisite details of the related party transactions entered into during the financial year are provided in Annexure - II included in this report.

### Vigil Mechanism:

In line with the requirements under Section 177(9) and (10) of the Companies Act, 2013 and regulation 22 of the Listing Regulations, your Company has established vigil mechanism by framing a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly

contacted to report any suspected or confirmed incident of fraud/ misconduct.

### Directors' Responsibility Statement:

Directors' Responsibility Statement as required under the provisions of Section 134(5) of the Companies Act, 2013 is given in the Annexure - III attached hereto and forms part of this Report.

### Particulars of Employees

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided along with a statement containing, inter alia, names of employees employed throughout the financial year and in receipt of remuneration of Rs. 60 lakhs or more, employees employed for part of the year and in receipt of Rs. 5 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure - IV to this report.

## IV. INTERNAL FINANCIAL CONTROLS AND AUDIT:

### Internal Financial Controls and their Adequacy:

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### Risk Management :

The Risk Management policy of your Company is focused on ensuring that risks are known and addressed. The Board of Directors, on recommendation of the Audit Committee, established a robust Risk Management framework by framing a Risk Management Policy to deal with all risks including possible instances of fraud and mismanagement, if any. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. The



board periodically tracks the progress of implementation of the Risk Management policy.

**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.

**Auditors' Report**

There are no qualifications, reservations or adverse remarks made by M/s T. Raghavendra & Associates, Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31st March, 2016.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit, Risk and Compliance Committee during the year under review.

**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, Practising Company Secretary, to conduct Secretarial Audit of the Company.

The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2016 is enclosed at Annexure - V to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

**V. OTHER DISCLOSURES:****Particulars of Conservation of Energy, Technology Absorption and 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 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given in the Annexure - VI attached hereto and forms part of this Report.

**Extract of Annual Return:**

Pursuant to Section 92(3) and Section 134(3)(a), extract of the Annual Return as on 31st March, 2016 in form MGT-9 is enclosed as Annexure - VII to this report.

**Material Changes and Commitments Affecting the Financial Position of the Company:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the end of the financial year to which the financial statements relate and the date of this report.

**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 the covered.

Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Operations in Future:

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**Sexual Harassment Policy:**

The Company as required under the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

In the year under review, the Company has not received any complaint under the said Policy.

**Environment and Social Obligations:**

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major considerations in its functioning. The Company has adequate effluent Treatment Plants to prevent pollution. The Company is continuously endeavoring to improve the health and quality of life in the communities surrounding its industrial complexes.

**Human Resource Management:**

The Company believes that Human Resource is its most valuable resource, which has to be nurtured well and equipped to meet the challenges posed by the dynamics of Business Developments. The Company has a policy of continuous training of its employees both in-house. The staff is highly motivated due to good work culture, training, remuneration packages and the values, which the Company maintains. Your Directors would like to place on record their deep appreciation of all employees for rendering quality services and to every constituent of the Company be its customers, shareholders, regulatory agencies or creditors. Industrial relations have remained harmonious throughout the year.

**Acknowledgements and Appreciation:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support, cooperation and encouragement to the Company.

The Board of Directors wishes to express its appreciation to all the employees of the Company for their outstanding contribution to the successful operations of the Company.

BY ORDER OF THE BOARD

Place: Hyderabad  
Date: 12th August, 2016

**K. Udai Sagar**  
Managing Director  
(DIN: 03298532)

**A. B. Satyavas Reddy**  
Director  
(DIN: 00137948)

**Annexure - I to the Directors' Report****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.	31.03.2016	Singapore	100%	USD
2.	Bartronics Middle East FZE	31.03.2016	UAE	100%	USDDD
<b>Subsidiaries of Bartronics Asia Pte. Ltd</b>					
3.	Bartronics Hong Kong Limited	31.03.2016	Hong Kong	100%	USD
4.	Veneta Holdings Limited	31.03.2016	Mauritius	100%	USD
5.	Bartronics Global Solutions Limited	31.03.2016	India	99.9%	INR
6.	Burbank Holdings Limited	31.03.2016	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	2,15,97,043	88,54,838	2,48,30,010	3,00,35,617	-	18,57,259	86,12,413	-	-86,58,481	-
Bartronics Middle East FZE	41,096	8,06,713	78,40,646	2,09,73,355	-	86,64,931	1,607	-	1607	-
Bartronics Hong Kong Limited	1	79,51,402	27,31,992	1,06,83,395	-	-	-2000	-	-2000	-
Veneta Holdings Limited	100	94,76,139	2,08,45,099	3,03,21,337	-	-	87,00,000	-	87,00,000	-
Bartronics Global Solutions Limited	10,000	-3,07,263	11,28,774	8,31,512	-	9,74,839	-1,15,891	-	-1,15,891	-
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.

### Annexure - II to the Directors' Report

#### Form No. AOC-2

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and 7Rule 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	Sales Transactions of Rs. 178.44 Lakhs Advances of Rs. 6718.72 Lakhs Receivables against sales of Rs. 128.56 Lakhs
(c)	Duration of the contracts / arrangements/ transactions	Transactions had taken place during the period 1st April,2015 to 31st Mar,2016
(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

Place: Hyderabad  
Date: 12th August, 2016

**K. Udai Sagar**  
Managing Director  
(DIN: 03298532)

**A. B. Satyavas Reddy**  
Director  
(DIN: 00137948)

**Annexure - III to the Directors' Report****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(5) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the period ended 31st March, 2016, 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, 2016 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.

BY ORDER OF THE BOARD

Place: Hyderabad  
Date: 12th August, 2016

**K. Udai Sagar**  
Managing Director  
(DIN: 03298532)

**A. B. Satyavas Reddy**  
Director  
(DIN: 00137948)

**Annexure-IV to the Directors' Report****Details pertaining to remuneration as required u/s 197(12) of The Companies Act, 2013 read with rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, percentage increase in remuneration of each Director in the financial year 2015-16, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director/ KMP (Designation)	Remuneration for FY 2015-16 (in lakhs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2015-16
01	K. Udai Sagar (Managing Director)	Nil	Nil	Nil

**Notes:**

- (a) None of the other directors expect as disclosed above draws any remuneration in the Company.
- (b) The median remuneration of employees of the Company during the financial year 2015-16 was Rs.1.56 lakhs against the median remuneration of Rs. 1.44 lakhs of the previous year.
- (c) The number of permanent employees on the rolls of Company as on March 31st, 2015 is 240
2. **The Explanation on the relationship between average increase in remuneration and company performance:**

The average increase in remuneration during the financial year 2015-16 is 15%. The total employees cost for the financial year ended 31st March, 2016 is Rs. 455.42 lakhs against Rs. 852.07 lakhs for the period ended 31st March 2015. During the year the Company achieved a total income of Rs. 6,197.98 lakhs against Rs. 4,387.06 lakhs of last year.

3. **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

Particulars	2015-16	2013-15
Total Revenue (Rs. in lakhs)	<b>6197.98</b>	4387.06
Aggregate Remuneration of Key Managerial Personnel (KMP) in F.Y. 2015-16 (Rs. In lakhs)	<b>Nil</b>	Nil
Remuneration of KMPs (as a % of revenue)	<b>0.00</b>	0.00

4. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and 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:**

Particulars	March 31st, 2016	March 31st, 2015	% of change
Market capitalisation (Rs. in lakhs)*	<b>2962.25</b>	3830.49	22.67
Price Earnings Ratio	<b>(0.89)</b>	(0.34)	162.25

\* Based on closing Market price on BSE on the respective year and dates.

Particulars	March 31st, 2016	12th January, 2006 (IPO)	% of change
Market Price(BSE) (Rs)	<b>8.72</b>	10	(12.8)
Market Price (NSE) (Rs)	<b>8.70</b>	10	(13.8)

5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year: 15.06%
6. Comparison of the each remuneration of the KMP against the performance of the Company:

S. No.	Particulars of Remuneration	Managing Director
		K. Udai Sagar
1.	Remuneration in FY 2016 (Rs. in Lakhs)	Nil
2.	Revenue in FY 2016 (Rs. in Lakhs)	6197.98
3.	Remuneration as % of revenue	Nil

7. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company:

There is no variable component availed by any Director

8. 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 year:

Not applicable, since no employees of the Company receives remuneration in excess of the highest paid director i.e., MD.

9. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Sl. No.	Name of the Employee	Designation	Date of joining	Gross Remuneration	Educational Qualification	Age	Experience (yrs)	Last Employment
1	Pundarika Prasad Bibireddy	Chief Executive Officer	1st Sept, 2012	1800000	B.Sc., (Hons), GSM (Harvard)	54 years	33	Bartronics America Inc.
2	Vineet Kumar Mathur	Chief Technical Officer	19th Sept, 2011	6047000	B.E.	46 Years	22	Infokall Inc.

**Note:** Mr. Pundarika Prasad Bibireddy, CEO, was paid Rs. 6,00,000/- p.m. (for 3 months only i.e., from 1st January 2016 to 31st March, 2016).



Annexure - V 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 – 501 401.

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 financial year ended on 31st March, 2016 (consisting of 12 months from 01.04.2015 to 31.03.2016), 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 financial year ended on 31st March, 2016 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 (Not applicable to the Company during the audit period);
  - 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 (Not applicable to the Company during the audit period);
  - 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 ICSI.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

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 including woman Director. 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 reportable events undertaken by Company during audit period:

- During the period under review 2015-16, Five (5) Board meetings were held on 14th May, 2015, 12th August, 2015, 07th September, 2015, 13th November, 2015 and 12th February, 2016 respectively.
- During the period under review 2015-16, Four (4) Audit Committee meetings were held on 14th May, 2015, 12th August, 2015, 13th November, 2015, and 12th February, 2016 respectively.
- Conducted the 23rd Annual General Meeting on 29th June, 2015 at the registered office of the Company
- The details of appointment and resignation/vacation of directors/KMP are as follows:

S. No.	Name of the Director/ KMP	Particulars	Date of filing with ROC
1	Mr. C. Prakash Ramaiah	Appointed as Independent Director at the AGM held on 29th June, 2015	23.07.2015
2	Mrs. A. Syamala Reddy	Appointed as Independent Director at the AGM held on 29th June, 2015.	23.07.2015
3	Mr. K. Udai Sagar	Appointed as Independent Director at the AGM held on 29th June, 2015	23.07.2015
4	Mr. Sudhir Rao	Resigned as Managing Director w.e.f., 31st May, 2015	12.06.2015
5	Mrs. V. Geetha	Appointed as Independent Director through circular resolution dated: 13th October, 2015.	14.10.2015
6	Mr. K. Udai Sagar	Appointed as Managing Director 13th November, 2015	10.12.2015

- The Company has adopted new set of Articles of Association as per Companies Act, 2013.

**Y. RAVI PRASADA REDDY**

FCS. No.: 5783

C.P. No.: 5360

Place: Hyderabad

Date: 24th May, 2016

## Annexure - VI 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.
----	--	--------------------------------------

**C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

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.
Total foreign exchange used and earned.	Earned Rs. 1210.52 Lakhs, Used Rs. 666.58 Lakhs.

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

	2015-16	2013-15 (18 Months)
Units (KWH)	2,42,320	3,67,000
Total amount (Rs.)	25,27,350	38,19,514
Rate/units (Rs)	10.43	10.41
Diesel	-	-

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

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

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 - VII to the Directors' Report

## Form MGT- 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

[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	15.60%
2	Financial Inclusion Project and Services	-	84.40%

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

Sl. 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	99.9	
9	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	1038560	-	1038560	3.05	1038560	-	1038560	3.05	0
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>1038560</b>		<b>1038560</b>	<b>3.05</b>	<b>1038560</b>		<b>1038560</b>	<b>3.05</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									<b>0.00</b>
a) Bodies Corp.									0.00
i) Indian	2885811	-	2885811	8.48	2642083	-	2642083	7.76	8.44
ii) Overseas	600		600	0.00	600	-	600	0.00	0.00
b) Individuals									0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	18479642	192	18479834	54.27	20524705	192	20524897	60.28	11.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5697421	-	5697421	16.73	4046102	-	4046102	11.88	28.98
c) Others (specify)	-	-							
i) Trusts	1450	-	1450	0.00	1450	0	1450	0.00	0.00
ii) Non Resident Indians	1547886	-	1547886	4.55	1422748	0	1422748	4.19	3.89
iii) Clearing members	128109	-	128109	0.38	103231	0	103231	0.30	19.41
<b>Sub-total (B)(2):-</b>	<b>28741111</b>	<b>192.00</b>	<b>28741111</b>	<b>84.41</b>	<b>28741111</b>	<b>84.41</b>	<b>28741111</b>	<b>84.41</b>	<b>82.16</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>29779671</b>		<b>29779671</b>	<b>87.46</b>			<b>29779671</b>	<b>87.46</b>	<b>86.46</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>			<b>34048861</b>	<b>100.00</b>			<b>34048861</b>	<b>100.00</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 Infn & Trading Pvt Ltd	2,200,000	6.46	0	2,200,000	6.46	0	0
	Total	4269190	12.54	693000	4269190	12.54	693000	0

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 year.				



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

Sr. No.	Name	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the Company
1	Indian Overseas Bank	665,500	03-Apr-15	0	Transfer	665,500	1.95
		665,500	31-Mar-16	0	Transfer	665,500	1.95
2	Naman Finance & Investment Private Limited	441,919	03-Apr-15	0	Transfer	441,919	1.30
		441,919	31-Mar-16	0	Transfer	441,919	1.30
3	Sudhir Sundar Rao .	0	03-Apr-15		Transfer	0	0.00
			17-Jul-15	320780	Transfer	320,780	0.94
			07-Aug-15	100000	Transfer	420,780	1.24
		420,780	31-Mar-16	0	Transfer	420,780	1.24
4	Sicom Limited	373,060	03-Apr-15	0	Transfer	373,060	1.10
		373,060	31-Mar-16	0	Transfer	373,060	1.10
5	Chakradhara Rao Potluri	219,194	03-Apr-15	0	Transfer	219,194	0.64
		219,194	31-Mar-16	0	Transfer	219,194	0.64
6	Ajit Chandraraj	206,579	03-Apr-15	0	Transfer	206,579	0.61
		206,579	31-Mar-16	0	Transfer	206,579	0.61
7	Karvy Stock Broking Ltd- F-O Margin	110,720	03-Apr-15	0	Transfer	110,720	0.33
			10-Apr-15	-2145	Transfer	108,575	0.32
			17-Apr-15	-600	Transfer	107,975	0.32
			24-Apr-15	4056	Transfer	112,031	0.33
			01-May-15	-2095	Transfer	109,936	0.32
			08-May-15	-1100	Transfer	108,836	0.32
			15-May-15	2000	Transfer	110,836	0.33
			22-May-15	4766	Transfer	115,602	0.34
			29-May-15	-17931	Transfer	97,671	0.29
			05-Jun-15	-289	Transfer	97,382	0.29
			12-Jun-15	-770	Transfer	96,612	0.28
			19-Jun-15	-621	Transfer	95,991	0.28
			25-Jun-15	-3201	Transfer	92,790	0.27
			26-Jun-15	10	Transfer	92,800	0.27
			29-Jun-15	225	Transfer	93,025	0.27
			30-Jun-15	-135	Transfer	92,890	0.27
			03-Jul-15	167	Transfer	93,057	0.27
			10-Jul-15	8674	Transfer	101,731	0.30
			17-Jul-15	-3100	Transfer	98,631	0.29
			24-Jul-15	5331	Transfer	103,962	0.31
			31-Jul-15	-6661	Transfer	97,301	0.29
			07-Aug-15	2510	Transfer	99,811	0.29
			14-Aug-15	-7305	Transfer	92,506	0.27
			21-Aug-15	1650	Transfer	94,156	0.28
			28-Aug-15	2080	Transfer	96,236	0.28
			04-Sep-15	-1525	Transfer	94,711	0.28

			11-Sep-15	200	Transfer	94,911	0.28
			18-Sep-15	-13	Transfer	94,898	0.28
			25-Sep-15	1004	Transfer	95,902	0.28
			30-Sep-15	-129	Transfer	95,773	0.28
			09-Oct-15	-6400	Transfer	89,373	0.26
			16-Oct-15	120	Transfer	89,493	0.26
			23-Oct-15	10	Transfer	89,503	0.26
			30-Oct-15	-120	Transfer	89,383	0.26
			06-Nov-15	1616	Transfer	90,999	0.27
			13-Nov-15	-100	Transfer	90,899	0.27
			20-Nov-15	6615	Transfer	97,514	0.29
			27-Nov-15	1638	Transfer	99,152	0.29
			04-Dec-15	-4053	Transfer	95,099	0.28
			11-Dec-15	-1277	Transfer	93,822	0.28
			18-Dec-15	-4268	Transfer	89,554	0.26
			25-Dec-15	2664	Transfer	92,218	0.27
			31-Dec-15	3185	Transfer	95,403	0.28
			01-Jan-16	-1050	Transfer	94,353	0.28
			08-Jan-16	-7447	Transfer	86,906	0.26
			15-Jan-16	3750	Transfer	90,656	0.27
			22-Jan-16	7385	Transfer	98,041	0.29
			29-Jan-16	195	Transfer	98,236	0.29
			05-Feb-16	-5	Transfer	98,231	0.29
			12-Feb-16	1820	Transfer	100,051	0.29
			19-Feb-16	3443	Transfer	103,494	0.30
			26-Feb-16	250	Transfer	103,744	0.30
			04-Mar-16	-900	Transfer	102,844	0.30
			11-Mar-16	-50	Transfer	102,794	0.30
			18-Mar-16	-1100	Transfer	101,694	0.30
			31-Mar-16	-149	Transfer	101,545	0.30
		101,545	31-Mar-16	0	Transfer	101,545	0.30
8	R Padmavati	142,000	03-Apr-15	0	Transfer	142,000	0.42
			05-Jun-15	8000	Transfer	150,000	0.44
			25-Sep-15	-40000	Transfer	110,000	0.32
			30-Sep-15	17300	Transfer	127,300	0.37
			02-Oct-15	2700	Transfer	130,000	0.38
			09-Oct-15	2000	Transfer	132,000	0.39
			13-Nov-15	-22000	Transfer	110,000	0.32
			31-Dec-15	-8000	Transfer	102,000	0.30
			08-Jan-16	-2000	Transfer	100,000	0.29
		100,000	31-Mar-16	0	Transfer	100,000	0.29
9	Bonanza Portfolio Ltd.	59,477	03-Apr-15	0	Transfer	59,477	0.17
			10-Apr-15	-460	Transfer	59,017	0.17
			17-Apr-15	200	Transfer	59,217	0.17
			24-Apr-15	436	Transfer	59,653	0.18
			01-May-15	2718	Transfer	62,371	0.18
			08-May-15	1650	Transfer	64,021	0.19
			15-May-15	-800	Transfer	63,221	0.19

			29-May-15	1100	Transfer	64,321	0.19
			05-Jun-15	901	Transfer	65,222	0.19
			12-Jun-15	2975	Transfer	68,197	0.20
			19-Jun-15	-950	Transfer	67,247	0.20
			25-Jun-15	-4948	Transfer	62,299	0.18
			29-Jun-15	-1430	Transfer	60,869	0.18
			03-Jul-15	500	Transfer	61,369	0.18
			10-Jul-15	-10196	Transfer	51,173	0.15
			17-Jul-15	-500	Transfer	50,673	0.15
			24-Jul-15	17820	Transfer	68,493	0.20
			31-Jul-15	2793	Transfer	71,286	0.21
			07-Aug-15	800	Transfer	72,086	0.21
			14-Aug-15	624	Transfer	72,710	0.21
			21-Aug-15	3980	Transfer	76,690	0.23
			28-Aug-15	-716	Transfer	75,974	0.22
			11-Sep-15	-5350	Transfer	70,624	0.21
			18-Sep-15	-2273	Transfer	68,351	0.20
			25-Sep-15	-2024	Transfer	66,327	0.19
			09-Oct-15	6400	Transfer	72,727	0.21
			16-Oct-15	-1000	Transfer	71,727	0.21
			23-Oct-15	2200	Transfer	73,927	0.22
			30-Oct-15	-1450	Transfer	72,477	0.21
			06-Nov-15	-197	Transfer	72,280	0.21
			13-Nov-15	-3	Transfer	72,277	0.21
			20-Nov-15	-3550	Transfer	68,727	0.20
			27-Nov-15	175	Transfer	68,902	0.20
			04-Dec-15	367	Transfer	69,269	0.20
			11-Dec-15	14671	Transfer	83,940	0.25
			18-Dec-15	-8885	Transfer	75,055	0.22
			25-Dec-15	-8881	Transfer	66,174	0.19
			31-Dec-15	-2095	Transfer	64,079	0.19
			01-Jan-16	251	Transfer	64,330	0.19
			08-Jan-16	10250	Transfer	74,580	0.22
			15-Jan-16	9587	Transfer	84,167	0.25
			22-Jan-16	1299	Transfer	85,466	0.25
			29-Jan-16	-3572	Transfer	81,894	0.24
			05-Feb-16	472	Transfer	82,366	0.24
			12-Feb-16	1450	Transfer	83,816	0.25
			19-Feb-16	1200	Transfer	85,016	0.25
			26-Feb-16	76	Transfer	85,092	0.25
			04-Mar-16	-1373	Transfer	83,719	0.25
			11-Mar-16	-400	Transfer	83,319	0.24
			18-Mar-16	1763	Transfer	85,082	0.25
			25-Mar-16	-420	Transfer	84,662	0.25
			31-Mar-16	-185	Transfer	84,477	0.25
		84,477	31-Mar-16	0	Transfer	84,477	0.25
10	Ketan J Karani	75000	26-Jun-15	0	Transfer	75,000	0.22
		75000	31-Mar-16	0	Transfer	75000	0.22

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
	At the beginning of the year	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. A. B. Satyavas Reddy	1050797	3.086	1050797	3.086
	Mr. K. Udai Sagar	-	-	-	-
	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**

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	29,665.85	32,794.12	-	62,459.97
Interest due but not paid	10,194.84	-	-	10,194.84
Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>39,860.69</b>	<b>32,794.12</b>		<b>72,654.81</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5,409.41	1,786.50	-	7,195.91
Reduction	94.56	0.92	-	95.48
<b>Net Change</b>	<b>5,314.85</b>	<b>1,785.58</b>	-	<b>7100.43</b>
<b>Indebtedness at the End of the financial year</b>				
Principal Amount	35,956.92	34,579.70	-	70,536.62
Interest due but not paid	9,218.62	-	-	9,218.62
Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>45,175.54</b>	<b>34,579.70</b>	-	<b>79,755.24</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	Total Amount
		Mr. K. Udai Sagar	
1.	Gross salary		
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0
	b. Value of perquisites u/s17(2) Income-tax Act,1961	0	0
	c. Profits in lieu of salary underSection 17(3) Income-tax Act, 1961	0	0
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as%of profit - others, specify...	Nil	Nil
5.	Others	Nil	Nil
	Total(A)	0	0
	Ceiling as per the Act	Rs. 60,00,000 as per Schedule V	

**Note:** Although Mr. K. Udai Sagar was eligible for the above remuneration but no remuneration was paid to Mr. K. Udai Sagar during the period.

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. C Prakash Ramaiah	Mr. K. Udai Sagar	Mrs. A. Syamala Reddy	Mrs. V. Geetha	
<b>3. Independent Directors</b>						
• Fee for attending board/committee meetings		40,000	25,000	20,000	15,000	1,00,000
• Commission		0	0	0	0	0
• Others, please specify		0	0	0	0	0
<b>Total(1)</b>		<b>40,000</b>	<b>25,000</b>	<b>20,000</b>	<b>15,000</b>	<b>1,00,000</b>
<b>4. Other Non-Executive Directors</b>		Mr. A. B. Satyavas Reddy				
• Fee for attending board/committee meetings		Nil				Nil
• Commission		Nil				Nil
• Others, please specify		Nil				Nil
<b>Total (2)</b>		<b>Nil</b>				<b>Nil</b>
<b>Total (B)=(1+2)</b>		<b>40,000</b>	<b>25,000</b>	<b>20,000</b>	<b>15,000</b>	<b>1,00,000</b>
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**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel
		CEO
1.	<b>Gross salary</b> • Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 • Value of perquisites u/s17(2) Income-tax Act, 1961 • Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Rs. 6,00,000/- p.m. Nil Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission • as% of profit • others, specify...	Nil
5.	Others, please specify	Nil
	<b>Total</b>	<b>Rs. 6,00,000/-</b>
<b>Note:</b> Mr. Pundarika Bibireddy, CEO, was paid Rs. 6,00,000/- p.m. (for 3 months i.e., from 1st January 2016 to 31st March, 2016)		

**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

## Management Discussion and Analysis

Overview: 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 7.6%, and the manufacturing and services sector grew by robust 9.3% and 9% respective - as declared by the Finance Ministry. The growth in manufacturing was primarily due to government's "Make in India" campaign. During the year, your Company too had an opportunity to consolidate its business in both manufacturing and services. Your Company's manufacturing facility was the differentiating factor with which it was successful in winning and retaining key Financial Inclusion projects from various banks; popularly known as 'Jan-Dhan Yojana'. However, continued head-winds globally restricted Company's growth only to domestic markets which gets clearly reflected in Company's financial performance.

For current year, Management believes that your Company may continue to do well in domestic markets thanks to substantial exposure to government initiatives giving the Company certain degree of revenue visibility; however, for the Company to retain its growth trajectory, it hopes for improvement in business environment globally.

### Key Developments

#### Indian Operations:

The challenging business environment faced by the Company last year had 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. As a result, your Company today has business focusing mainly on government initiatives which helps Company is getting revenue visibility and operational stability. During the year, the Company was able to consolidate its Financial Inclusion Business despite facing stiff competition. Company's value proposition which includes captive manufacturing facility and the ability of providing End-to-End solutions has greatly differentiated your Company from others.

As mentioned last year, certain steps that your Company had taken previously has indeed created an organization which is having strong base of quality customers and a scalable model on which your Company will ride into growth phase.

#### Outstanding FCCBs:

Bartronics India Ltd. had issued Foreign Currency Convertible Bonds (FCCB) 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 May 4, 2014 with Reserve Bank of India which was granted vide letter dated February 21, 2014. The Company has applied for further extension with Reserve Bank of India and 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 had faced extremely challenging times in recent past; and the situation has not changed much 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 Global Delivery Centre 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) **Financial Inclusion Business:** Your Company has emerged as a leader in providing End-to-End services in financial inclusion domain and has been able to secure these contracts which have tenures ranging from 3 years to 5 years which clearly provides good revenue visibility.
- B) **Smart Card Manufacturing:** Your Company has one of largest and one of the best Smart Card Manufacturing facilities. During the year, this facility has aptly supported financial inclusion projects. In order to improve capacity utilization; the Company has been looking for long term contracts and was able to win one such long term, large scale contract this year. Your Company continues to have such focus on long term contracts which can directly contribute to financial performance of the Company.
- 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:** Your Company invests considerable resources on Research and Development so as to ensure that it is continuously improving its products and

services. In the excessive competitive landscape, your Company understands that the success will largely depend on how we can differentiate ourselves from others in terms of quality of services which include reduced turnaround time.

#### **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 Indian 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 microprocessor 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 BIL. 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 obsolesce. Your Company has also entered into eGovernance 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 18601.51 lakhs upto March 31, 2016, consisting of Twelve (12) months, as against the turnover of Rs. 17020.58

lakhs for the previous year ended March 31, 2016 consisting of Eighteen (18) months. The highlights of the financial results are given below:

### CONSOLIDATED FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	Year	Year
	2015-16	2013-15
Net Sales	10995.48	10817.45
Other Income	7606.03	6203.12
Total Income	18601.51	17020.58
Total Expenditure	15692.97	15630.24
EBIDTA	2908.53	1390.34
Interest	5364.15	7004.75
PBDT	-2455.62	-5614.41
Depreciation & Amortization	1116.09	5735.43
PBT	-3571.71	-11349.80
Tax Expense	-224.90	-1483.94
PAT	-3346.81	-9865.90

### 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 this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations, labour relations and interest costs.

## REPORT ON CORPORATE GOVERNANCE

As per Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We believe in adopting best practices of corporate governance and focus on enhancement of long term stakeholder value without compromising on ethical standards, legal and business expectations and to fulfill its social responsibilities. Corporate governance philosophy of your Company is put into practice through robust board governance processes, internal control systems and processes, and strong audit mechanisms. These are articulated through Company's Code of Conduct, Corporate Governance Guidelines and charters of various sub-committees of the Board of Directors ("Board") and Company's Disclosure Policy.

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.

### II. BOARD OF DIRECTORS:

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

As at 31st March, 2016, our Board has 5 Directors of which 1 is Promoter & Non-Executive Director, 3 are Independent Directors and 1 is Executive Director who is Managing Director of our Board. All the Independent Directors are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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" as defined in Section 2(77) of the Companies Act, 2013.

The Board of Directors oversees the overall functioning of the Company on a continuous basis. 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. All managerial decisions, material positive/negative developments and statutory matters are presented to the Committees of the Board and later with the recommendation of Committee to the Board of Directors for their approval.

The Board met 5 (Five) times during the financial year 2015-16 on 14th May, 2015, 12th August, 2015, 07th September, 2015, 13th November, 2015, and 12th February, 2016. The maximum time gap between any consecutive meetings did not exceed 120 days.

In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps were taken by the Company to rectify instances of non-compliance, if any.

The details of composition of the Board of Directors as at 31st March, 2016, the attendance record of the Directors at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM) and also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given below:

Sl. No.	Name of the Director	Other Directorships*	Committee positions in other companies****		No. of Board Meetings attended out of 5 meetings held during the year	Attended last A.G.M
			As Chairman	As member		
<b>Executive Director- Managing Director</b>						
1.	Mr. K. Udai Sagar,	4	-	-	5	Yes
<b>Promoter-Non-Executive Director</b>						
2.	Mr. A. B Satyavas Reddy	5	-	-	5	yes
<b>Independent &amp; Non-Executive Directors</b>						
3	Mr. C. Prakash Ramaiah	12	-	-	5	Yes
6.	Mrs. A. Syamala Reddy	2	-	-	5	No
7.	Mrs. V. Geetha	1	-	-	2	NA

**Notes:**

\* 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 29th June, 2015:**

1. Mr. Sudhir Sundar Rao, has resigned as the Managing Director of the Company w.e.f., 31st May, 2015.
2. Mrs. V. Geetha is appointed as Additional Director w.e.f., 13th October, 2015.
3. Mr. K. Udai Sagar is appointed as Managing Director w.e.f 13th November, 2015.

**Independent Directors Meeting:**

The Independent Directors met on 31st March, 2016 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

**III. BOARD COMMITTEES**

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.

**i. Audit Committee:**

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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 Audit Committee of the Board, reviews, acts on and reports to our Board with respect to various auditing and accounting matters. The primary responsibilities of the Committee, inter-alia, are;

- Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders;
- Compliance with legal and statutory requirements;
- Integrity of the Company's financial statements, discussions with the independent auditors regarding the scope of the annual audits, and fees to be paid to the independent auditors;
- Performance of the Company's internal audit function, independent auditors and accounting practices;
- Review of related party transactions and functioning of whistle blower mechanism;

The Audit Committee met 4 (Four) times during the financial year 2015-16, on 14th May, 2015, 12th August, 2015, 13th November, 2015, and 12th February, 2016. 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 Non-Executive Director and one is Independent Director. All the members of the Audit Committee are financially literate. The Chairman of the Audit Committee was present at Annual General Meeting held on 29th June, 2015.

**Composition of the Audit and details of attendance of members at its meetings during the year 2015-16 is given below:**

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

Changes in Composition of Audit Committee since the date of last AGM held on 29th June, 2015:

\*Mr. C. Prakash Ramaiah has been appointed as Chairman of the Audit Committee with effect from 13th November, 2015.

\*\*Mrs. V. Geetha is appointed as a member of the Audit Committee w.e.f, 13th November, 2015.

\*\*\*Mr. K. Udai Sagar has resigned from Audit Committee and appointed as the Managing Director w.e.f. 13th November, 2015.

Audit Committee meetings are attended by the representatives of Statutory Auditors, and representatives of Internal Auditors.

## ii. **Nomination and Remuneration Committee**

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 financial year 2015-16, one meeting of the Nomination and Remuneration Committee was held on 13th November, 2015. The necessary quorum was present at the meeting.

S. No.	Name of Director	Designation
1.	Mr. C. Prakash Ramaiah*	Chairman
2.	Mr. A.B. Satyavas Reddy	Member
3.	Mrs. V. Geetha**	Member

Changes in Composition of Nomination and Remuneration Committee since the date of last AGM held on 29th June, 2015:

\*Mr. C. Prakash Ramaiah has been appointed as Chairman of the Committee with effect from 13th November, 2015.

\*\* Mrs. V. Geetha is appointed as a Member of the Committee w.e.f. 13th November, 2015.

### **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 packages paid to the Executive Director during the period:**

There is no remuneration was paid to Executive Director during the year.

**Sitting Fee details:**

Sl. No.	Name of the Director	Sitting fee paid During the year (Rs.)
1.	Mr. K. Udai Sagar*	25000
2.	Mr. C. Prakash Ramaiah	40000
3.	Mrs. A. Syamala Reddy	20000
4.	Mrs. V. Geetha	15000
	Total	100000

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

\*Mr. K. Udai Sagar was paid sitting fee until he became the Managing Director on 13th November, 2015.

**Shareholding of Directors as on 31st March, 2016:**

The following table sets out the shareholdings of the Directors in the Company as at 31st March, 2016:

Name of the Director	Designation	No. of Shares held
Mr. K. Udai Sagar	Managing Director	0
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
Mrs. V. Geetha	Independent and Non-Executive Director	0

**iii. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee functions in compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations and its scope includes, 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, other shareholders related queries, etc.

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. C. Prakash Ramaiah	Chairman
2.	Mr. K. Udai Sagar	Member
3.	Mr. A.B. Satyavas Reddy	Member

Changes in Composition of Stakeholders Relationship Committee since the date of last AGM held on 29th June, 2015:

\*Mr. C. Prakash Ramaiah has been appointed as Chairman of the Committee with effect from 13th November, 2015.

**Compliance Officer:**

Mr. K. Udai Sagar, Managing Director is designated as Compliance Officer of the Company.

**Status Report of investor queries and complaints for the period from 1st April, 2015 to 31st March, 2016 is given below:**

S. No.	Particulars	No. of complaints
1.	Investor complaints pending at the beginning of the year	Nil
2.	Investor complaints received during the year	11
3.	Investor complaints disposed of during the year	11
4.	Investor complaints remaining unresolved at the end of the year	Nil

**iv. Management Committee:**

The Management Committee comprises of Mr. K. Udai Sagar and Mr. A. B. Satyavas Reddy. 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. K. Udai Sagar	Chairman
2.	Mr. A. B. Satyavas Reddy	Member

**v. Risk Management Committee**

As per Regulation 21 of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015, 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. Following are the members of the Committee:

S. No.	Name of Director	Designation
1.	Mr. C. Prakash Ramaiah, Independent & Non-Executive Director	Chairman
2.	Mr. K. Udai Sagar, Executive Director	Member
3.	Mr. A. B. Satyavas Reddy Promoter & Non-Executive Director	Member

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

**IV. GOVERNANCE THROUGH MANAGEMENT PROCESS****Code of conduct:**

The Company has adopted a Code of Conduct as required under Companies Act, 2013 and Listing Regulations, which applies to all the Board Members, Independent Directors and Senior Management of the Company. The Board Members, Independent Directors 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. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information. The Board Members and Senior Personnel have affirmed the compliance with the Code.

**Disclosure Policy:**

In line with requirements under regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

**Policy for Determining Material Subsidiary:**

Pursuant to the requirements under Regulation 24 of the Listing Regulations, the Board has formulated and approved a Policy on Determination of Material Subsidiary. The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or which has generated 20% of the consolidated income of the Company during the previous financial year.

**Policy for Preservation of Documents:**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Policy on Preservation of Document prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

**Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace**

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information.

**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.

**CEO & MD Certificate:**

Certification by the Managing Director and Chief Executive Officer of the Company as required under Regulation 17(8) of the Listing Regulations is provided at the end of the Corporate Governance Report.

**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 under Regulation 34 (2) of the Listing Regulations.

**V. 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 resolutions passed
2013-15	29th June, 2015	Registered Office of the Company Survey No. 351 Raj Bollaram Village, Medchal Mandal, RR Dist - 501 401.	11.00 a.m.	1. To consider and approve the appointment of Mr. Sudhir Sundar Rao, as Managing Director & Key Managerial Person of the Company. 2. To approve and adopt the new set of Articles of the Company. 3. To approve the Borrowing Limits along with guarantee or counter-guarantee. 4. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future.
2012-13	30th December, 2013	Registered Office of the Company Survey No. 351, Raj Bollaram Village, Medchal Mandal, RR Dist - 501 401	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 Bollaram Village, Medchal Mandal, RR Dist – 501401	11.00 a.m.	Nil

- No Extra-Ordinary General Meeting of the Shareholders was held during the year.
- No special resolutions is proposed to be conducted through postal ballot.



## VI. 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 are 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.

## VII. GENERAL SHAREHOLDER INFORMATION:

Various shareholder information required to be disclosed pursuant to Schedule - V of the Listing Regulations are provided in Annexure - I to this report.

## VIII. DISCLOSURES:

### **Disclosure of Materially Significant Related Party Transactions:**

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions.

Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2015-16, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations.

**Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with the requirements of the Stock Exchanges or SEBI on matters related to Capital Markets, as applicable, during the last three years.

**Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit, Risk & Compliance Committee:**

The Company has adopted a process which is a channel for receiving and redressing employees' complaints. No personnel in the Company have been denied access to the Audit, Risk and Compliance Committee or its Chairman.

**IX. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS:**

Your Company has complied with all the mandatory and Non-Mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

**Declaration as required under Regulation 34(3) and Schedule V of the Listing Regulations:**

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Business Conduct for the financial year ended 31st March, 2016.

Place: Hyderabad  
Date : 12th August, 2016

**K. Udai Sagar**  
Managing Director  
DIN: 03298532

**Annexure I**

**GENERAL SHAREHOLDER INFORMATION:**

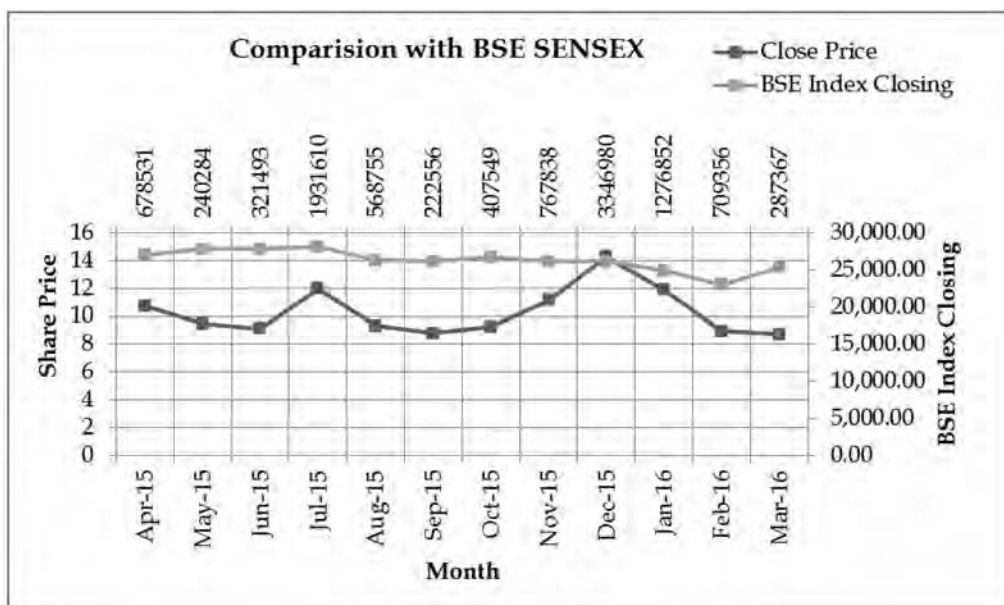
1.	AGM Date	26th September, 2016
2.	Time	11:00 a.m.
3.	Venue	Survey No. 351, Raj Bollaram Village, Medchal Mandal, R R Dist, Telangana – 501 401
4.	Financial Year	2015-16
5.	Book Closure Date	Friday 23rd September, 2016 (one day only)
6.	Dividend Payment Date	Not Applicable
7.	Listing (Equity) on Stock Exchanges	<p><b>i. BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001</p> <p><b>ii. National Stock Exchange of India Ltd Exchange (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051.</p>
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 Financial Year 2015-16.

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 20th September, 2016 and closes at 5:00 p.m. on 25th September, 2016 and the cut-off date is 16th September, 2016).
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 of prescribed, subject to the documents being valid and complete in all respects.

**Market Price Data:**

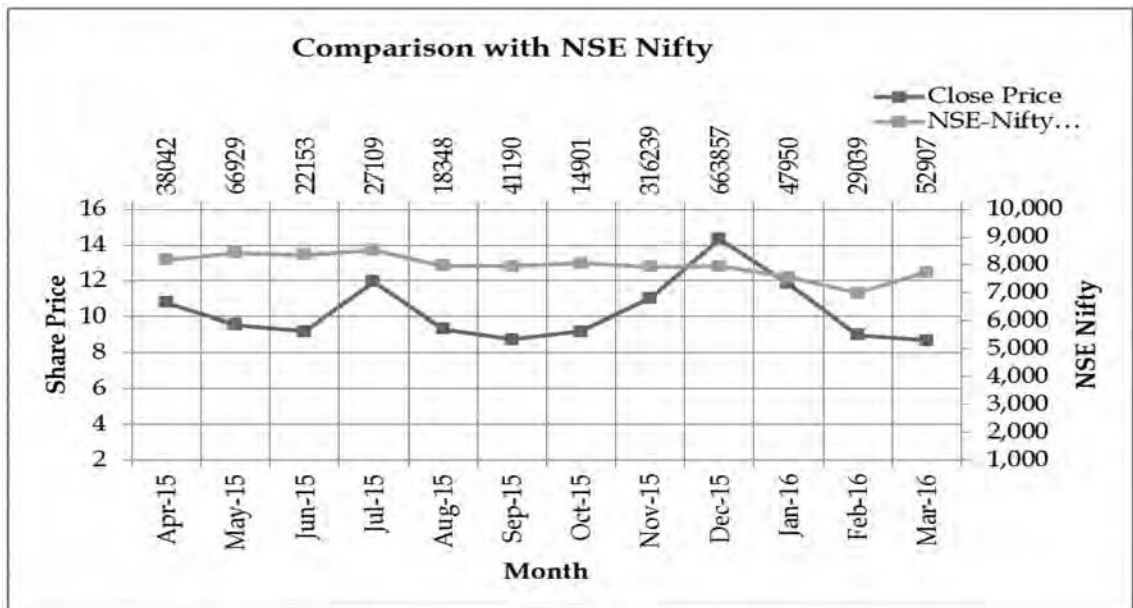
**BSE:** The monthly high and low stock prices during the financial year 2015-16 and performance is comparison to the Broad-based indices such as BSE-Sensex is provided hereunder:

Month	High Price	Low Price	Close Price	No. of Shares Traded	BSE Index closing
Apr-15	13.47	10.4	10.75	678531	27011.31
May-15	11.29	9.3	9.45	240284	27828.44
Jun-15	10.4	8.25	9.13	321493	27780.83
Jul-15	13.39	9.2	11.97	1931610	28114.56
Aug-15	12.9	7.85	9.3	568755	26283.09
Sep-15	9.7	8	8.79	222556	26154.83
Oct-15	10.44	8.5	9.25	407549	26656.83
Nov-15	11.5	8.29	11.13	767838	26145.67
Dec-15	14.93	10.11	14.27	3346980	26117.54
Jan-16	15.01	9.5	11.89	1276852	24870.69
Feb-16	12.98	8.5	8.93	709356	23002
Mar-16	10.5	7.5	8.72	287367	25341.86



**NSE:** The monthly high and low stock prices during the financial year 2015-16 and performance is comparison to the Broad-based indices such as NSE-Nifty is provided hereunder:

Month	High Price	Low Price	Close Price	No. of Shares Traded	NSE - Nifty Closing
Apr-15	11.25	10.75	10.8	38042	8181.5
May-15	9.8	9.4	9.55	66929	8433.65
Jun-15	9.35	9	9.2	22153	8368.5
Jul-15	12.5	11.85	11.95	27109	8532.85
Aug-15	9.6	9.3	9.35	18348	7971.3
Sep-15	9	8.7	8.75	41190	7948.9
Oct-15	9.5	9.15	9.2	14901	8065.8
Nov-15	11.5	9.65	11.05	316239	7935.25
Dec-15	14.9	13.3	14.35	663857	7946.35
Jan-16	12.2	11.8	11.85	47950	7563.55
Feb-16	9.4	8.9	9	29039	6987.05
Mar-16	9.1	8.65	8.7	52907	7738.4



#### Share Transfer System:

Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with Shares of the Company in physical and electronic mode. The turnaround time for completion of transfer of shares in physical form between 10 to 15 days from the date of receipt, subject to the document being valid in all respects.

#### Distribution of Shareholding:

As on 31st March, 2016, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shareholders	% of Total	Share Amount	% of Total
1-5000	39576	82.32	56770640	16.67
5001- 10000	4242	8.82	34951360	10.27
10001- 20000	2096	4.36	32352760	9.50
20001- 30000	732	1.52	19082060	5.60
30001- 40000	364	0.76	13199850	3.88
40001- 50000	320	0.67	15240630	4.48
50001- 100000	428	0.89	31621170	9.29
100001& Above	313	0.66	137270140	40.31
Total	48,071		340488610	100.00

**Dematerialization of Shares:**

99.99% of the Company's Paid-up capital has been dematerialized upto 31st March, 2016 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	2,35,22,863	69.09
CDSL	1,05,25,806	30.91
Physical	192	0
Total	3,40,48,861	100

100% of the promoters shareholding is in DEMAT

**Shareholding pattern as on 31st March, 2016:**

Category	No. of Shareholders	No. of shares	Percentage %
Promoter and promoter group	4	4269190	12.54
Financial Institutions/Banks	2	1038560	3.05
Body Corporate	596	2642083	7.76
Individuals	46551	24570999	72.20
Others	918	1528029	4.45
Shares held by Custodian and against which Depository Receipts have been issued	Nil	Nil	NA
Total	48071	34048861	100

**Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:**

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

**Plant Location:**

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

**Address for Correspondence:**

Registered office: Survey No. 351,  
Raj Bollaram, Village, Medchal,  
Ranga Reddy District,  
Telangana – 501401.  
Email: info@bartronics.com,  
Website: www.bartronics.com.

**Corporate Office:**

Suite # 201 & 202, Ashoka, Capitol, Road No-2,  
Banjara Hills, Hyderabad, Telangana – 500034.  
Tel : 040-4926 9269, Fax : 040-4926 9246  
Email: info@bartronics.com,  
Website: www.bartronics.com

**Registrars and Share Transfer Agents:**

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

## CEO & MD CERTIFICATION

We, K. Udai Sagar, Managing Director and Pundarika Prasad 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 under Regulation 17 (8) of the SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2016, the Company has complied with the requirements mentioned in the said regulation.

Place: Hyderabad

**K. Udai Sagar**

**Pundarika Prasad Bibireddy**

Date: 12th August, 2016

Managing Director

Chief Executive Officer

### Certificate on Corporate Governance

To

The Members of **M/s. Bartronics India Limited**

Survey No. 351, Raj Bollaram Village Medchal Mandal, Telangana – 501401.

I have examined the compliance conditions of Corporate Governance by M/s. Bartronics India Limited, Hyderabad for the financial year ended 31st March, 2016, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] and erstwhile Clause 49 of the Listing Agreement entered between the Company & Stock Exchanges.

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 the conditions of the 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 applicable Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement.

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 : 12th August, 2016

**Y. Ravi Prasada Reddy**

Practicing Company Secretary

FCS No: 5783, CP No: 5360

## INDEPENDENT AUDITORS' 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 March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 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 prescribed under Section 133 of the Act, read with the 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 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.

### Auditors' 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 thereunder and the Order under Section 143(11) of the Act. We conducted our audit of the standalone financial statements 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 March 31, 2016, 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 2.8 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 2.13 (i)(a) forming part of the Financial Statement regarding Capital advances to the extent of Rs. 9,061.49 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 2.15 forming part of the Statement regarding Trade Receivables aggregating to Rs. 95,635.12 Lakhs are more than three years old and in respect of which the Company provided only Rs.7,035.92 lakhs. We are unable to form an opinion on the extent to which the debts may be recoverable.
- d) Note 2.29 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs. 33,088.70 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 2.44 forming part of the financial statements regarding the uncertainties relating to MCD Project – “Apke Dwar Project”, the matter is in arbitration.
- f) The LIC of India, Andhra Bank, Bank of India, Indian Bank, Barclays Bank, IDBI Bank filed cases in DRT. A criminal case was also filed by a creditor at Delhi. There are certain cases against the Company pending at the Labour Court of India. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these matters settle against the Company.

Our opinion is not modified on respect of these matters

### Report on Other Legal and Regulatory Requirements

1. 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 relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
  - (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 maintained for the purpose of preparation of these standalone financial statements.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in ‘Annexure A’. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Independent Auditors’ 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 has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – Also Refer Note 2.27 to the financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Act, we give in ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Hyderabad  
Date: 30-05-2016

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

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting of **Bartronics India Limited (“the Company”)** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **T.Raghavendra & Associates**  
Chartered Accountants  
(Firm Regn No:003329S)

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

Place: Hyderabad  
Date: 30-05-2016

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

### Report on Companies (Auditor’s Report) Order, 2016 (‘the Order’) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (‘the Act’) of Bartronics India Limited (‘the Company’)

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a phased programmed of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are applicable.
- vi. 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) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except the following statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date becoming payable.

Sl.No	Particulars	Amount
1.	Central Sales Tax (2011-12)	855,144/-
2.	Central Sales Tax (2012-13)	529,916/-
3.	Dividend Distribution Tax (2010-11)	5,655,516/-

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Natures of dues	Disputed Dues	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax	60,895,984/-	2008-09	CTO-Hyderabad (Pending for Re-Assessment)
Income tax-FBT	66,765,550/-	2008-09	Appellate authority – CIT Appeals
Income tax	85,086,235/-	2008-09	Appellate authority – Income Tax Appellate Tribunal
Income tax	23,857,430/-	2009-10	Appellate authority – Income Tax Appellate Tribunal
Income tax	64,855,030/-	2010-11	Appellate authority – DRP Bangalore
Income tax	169,815,780/-	2011-12	Appellate authority – Income Tax Appellate Tribunal

- viii. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the Management, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions, banks or debenture holders 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	3321.42	24
2.	Bank Of Baroda	Quarterly	2,036.09	1356.00	15
3.	Bank of India	Quarterly	2,791.08	2,244.98	8
4.	Indian bank	Quarterly	1,199.41	931.14	13
5.	LIC	Quarterly	3,000.00	2,006.85	21
	Totals		12,683.72	9,860.40	

- ix. In our opinion and according to the information and explanation given to us, term loans have been applied by the Company during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year
- x. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934

For **T. Raghavendra & Associates**  
Chartered Accountants  
(Firm Regn No:003329S)

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

Place: Hyderabad  
Date: 30-05-2016

**BALANCE SHEET AS AT 31st MARCH 2016**

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 31 March 2016	For the Previous Reporting Date 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	2.1	3,404.89	3,404.89
b) Reserves and surplus	2.2	11,553.06	14,870.75
		<u>14,957.95</u>	<u>18,275.63</u>
<b>2 Non- Current Liabilities</b>			
a) Long-term borrowings	2.3	-	2.28
b) Deferred tax liabilities (net)	2.4	-	-
c) other non current liabilities		-	-
d) Long term Provisions	2.5	120.08	227.27
		<u>120.08</u>	<u>229.55</u>
<b>3 Current Liabilities</b>			
a) Short-term borrowings	2.6	23,964.20	23,198.16
b) Trade payables	2.7	26,252.49	26,205.27
c) Other current liabilities	2.8	67,812.70	61,633.14
d) Short-term provisions	2.9	15,037.50	15,129.56
		<u>1,33,066.90</u>	<u>1,26,166.13</u>
<b>TOTAL</b>		<u>1,48,144.93</u>	<u>1,44,671.31</u>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Fixed assets			
i) Tangible assets	2.10 A	4,517.97	5,308.23
ii) Intangible assets	2.10 B	998.60	1,151.84
iii) Capital work in progress		1,355.54	1,355.54
		<u>6,872.10</u>	<u>7,815.61</u>
b) Non-current investments	2.11	30,217.99	30,217.99
c) Deferred tax Asset (net)	2.12	1,530.86	1,305.96
d) Long-term loans and advances	2.13	14,410.82	14,723.86
Good will on consolidation		-	-
		<u>53,031.76</u>	<u>54,063.41</u>
<b>2 Current Assets</b>			
a) Current investments			
b) Inventories	2.14	796.17	715.10
c) Trade receivables	2.15	89,195.66	85,322.26
d) Cash and bank balances	2.16	496.42	406.41
e) Short-term loans and advances	2.17	1,329.65	647.02
f) Other current assets	2.18	3,295.27	3,517.11
		<u>95,113.17</u>	<u>90,607.90</u>
<b>TOTAL</b>		<u>1,48,144.93</u>	<u>1,44,671.31</u>

## SIGNIFICANT ACCOUNTING POLICIES

1

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 : 30th May 2016

**K. Udai Sagar**

Managing Director

Place : Hyderabad

Date : 30th May 2016

**A. B. Satyavas Reddy**

Director

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2016**

Rupees in Lakhs

Particulars	Note No	For the Year Ended 31 March 2016	For the Eighteen Months period ended 31 March 2015
<b>I. Revenue</b>			
Revenue from operations (gross)		4,368.91	3,930.12
Less: Excise duty		72.60	-
Revenue from operations (net)	2.19	4,296.31	3,930.12
Other income	2.20	1,901.67	456.94
<b>Total revenue</b>		<b>6,197.98</b>	<b>4,387.06</b>
<b>II. Expenses</b>			
Cost of materials consumed	2.21	562.21	1,906.53
Purchase of stock-in-trade	2.22	-	-
Change in inventories of finished goods work in progress and stock- in-trade	2.23	(6.82)	(121.88)
Employee benefits expense	2.24	455.42	852.07
Finance costs	2.25	5,364.15	7,004.75
Depreciation and amortisation expense	2.10 A&B	1,115.93	5,721.11
Other expenses	2.26	2,245.42	1,693.26
Prior Period Expenses		4.25	104.98
<b>Total expenses</b>		<b>9,740.56</b>	<b>17,160.82</b>
<b>III. Profit / (Loss ) before tax (I-II)</b>		<b>(3,542.58)</b>	<b>(12,773.76)</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		224.90	1,528.94
d) Less : Reversal of Excess Income tax Provided in Previous Years		-	-
		<b>(224.90)</b>	<b>(1,528.94)</b>
<b>V. Profit for the year/period (III-IV)</b>		<b>(3,317.69)</b>	<b>(11,244.82)</b>
Earnings per equity share of Rs.10 Each			
Basic Rs.		(9.74)	(33.03)
Diluted Rs.		(9.74)	(33.03)

SIGNIFICANT ACCOUNTING POLICIES

1

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 : 30th May 2016

**K. Udai Sagar**

Managing Director

Place : Hyderabad

Date : 30th May 2016

**A. B. Satyavas Reddy**

Director



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2016**

Rs.in Lakhs

Particulars	Note No.	For the Year Ended 31 March 2016	For the Eighteen Months period ended 31 March 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax as per Profit & Loss Account		(3,542.58)	(12,773.76)
<b>Adjustments for</b>			
Depreciation & Amortisation		1,115.93	5,721.11
Reversal of Income tax		-	-
Financial Expenses		5,364.15	7,004.75
Interest income		(26.05)	(3.14)
Loss on Sale of Fixed Assets		-	1.42
Provisions for Advances/Claims/Debts		-	-
Unrealised Foreign Exchange loss		(1,812.84)	274.99
<b>Operating Profit Before Working Capital Changes</b>		<b>1,098.60</b>	<b>225.37</b>
<b>Adjustments for</b>			
Decrease/(Increase) in Inventories		(81.06)	(171.80)
Increase in Trade Receivables		1,263.21	5,241.89
Decrease/(Increase) in Long & Short Term Loans & Advances		(93.76)	67.10
Increase/(Decrease) in Current & Non Current Liabilities		(2,607.79)	5,334.79
Increase/(Decrease) in Long & Short Term Provisions		(107.19)	25.14
		(527.99)	10,722.49
Other Income		-	-
Exceptional Items		-	-
Cash Generated from Operations		(527.99)	10,722.49
<b>Taxes Paid</b>			
		-	-
<b>Cash from Operating Activities (A)</b>		<b>(527.99)</b>	<b>10,722.49</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(171.56)	(201.97)
Sale of Fixed Assets		-	4.36
Decrease/(Increase) in Capital Work In progress		0.00	(14.98)
Increase/(Decrease) in Other Reserves		-	974.21
Advance to Subsidiaries		(22.39)	2.42
Advance from Subsidiaries		-	-
Interest Received		26.05	3.14
<b>Cash from Investment Activities (B)</b>		<b>(167.89)</b>	<b>767.18</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share Premium Received		-	-
Increase/ (Decrease) in Loan Funds		6,242.10	(4,234.55)
Dividend & Taxes paid		(92.06)	(184.64)
Interest & Financial Charges		(5,364.15)	(7,004.75)
<b>Net Cash from financing activities (C)</b>		<b>785.90</b>	<b>(11,423.98)</b>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>		<b>90.02</b>	<b>65.69</b>
Opening Cash and Cash Equivalents		406.41	340.72
<b>Cash and Cash Equivalent as on 31.03.2016</b>	2.16	<b>496.43</b>	<b>406.41</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	1		

- Notes:** 1. The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements.  
2. Cash and Cash Equivalents include Rs 366.45 lakhs (31.03.2015 : Rs. 248.25 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.  
3. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.  
4. Figures in bracket represents cash outflow.

The accompanying notes form an integral part of the Standalone 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 : 30th May 2016

**K. Udai Sagar**

Managing Director

Place : Hyderabad

Date : 30th May 2016

**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. 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.

**2. NOTES FORMING PART OF THE BALANCE SHEET**

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.1 : Share capital</b>		
Authorised		
i) 110,000,000 (31.03.2015:110,000,000) Equity Shares of Rs.10 each	<b>11,000.00</b>	11,000.00
<b>Issued, subscribed and fully paid up</b>		
i) 34,048,861 (31.03.2015 : 34048861) Equity Shares of Rs.10 each	<b>3,404.89</b>	3,404.89
<b>Total</b>	<b>3,404.89</b>	3,404.89

(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 March 31,2016 and March 31,2015 is as follows :**

Particulars	Year ended 31 Mar 2016		Eighteen Months period ended 31 Mar 2015	
	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	<b>340,48,861</b>	<b>3,404.89</b>	340,48,861	3,404.89
Shares issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	<b>340,48,861</b>	<b>3,404.89</b>	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	Year ended 31 Mar 2016		Eighteen Months period ended 31 Mar 2015	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	<b>22,00,000</b>	<b>6.46</b>	2,200,000	<b>6.46</b>
	<b>22,00,000</b>		2,200,000	

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.2 : Reserves and surplus</b>		
i) Capital reserve		
Opening balance	5,439.46	4,465.25
Add: Additions during the year/period	-	974.21
Closing balance	<u>5,439.46</u>	<u>5,439.46</u>
ii) Securities premium account		
Opening balance	17,703.99	17,703.99
Add: Premium on conversion of FCCB's	-	-
Less: Premium on Redemption of FCCB's	-	-
	<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	(8,397.70)	2,870.12
Add: Profit for the year/period	(3,317.69)	(11,244.82)
Less: Appropriations	-	-
Proposed dividend	-	-
Dividend distribution tax	-	-
Less : Adjustment (Retain Earnings - Fixed Assets)	-	(23.01)
Closing balance	<u>(11,715.39)</u>	<u>(8,397.70)</u>
<b>Total</b>	<u><b>11,553.06</b></u>	<u><b>14,870.75</b></u>
<b>Note 2.3 : Long term borrowings</b>		
<b>Secured</b>		
a) Term loans from		
i) Banks	-	-
ii) Financial institutions	-	-
iii) Others	-	2.28
	<u>-</u>	<u>2.28</u>
<b>Note 2.4 : Deferred tax liabilities (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	-	-
	<u>-</u>	<u>-</u>
Deferred tax asset:		
Provision for employee benefits	-	-
Provision for doubtful trade receivables, loans and advances	-	-
Unabsorbed / Depreciation	-	-
	<u>-</u>	<u>-</u>
Deferred tax liabilities (net)	<u>-</u>	<u>-</u>
<b>Note 2.5 : Long-term provisions</b>		
Provision for Employee benefits	120.08	227.27
	<u>120.08</u>	<u>227.27</u>

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.6 : Short-term borrowings</b>		
From Banks	17,245.49	16,885.27
Unsecured Loans from Subsidiaries	6,718.72	6,312.89
	<u>23,964.20</u>	<u>23,198.16</u>

**Notes :**

- i) Loans repayable on demand includes an amount of Rs. 17245.49 lakhs (31.03.2015 : Rs. 16885.27 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.
- ii) Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd.
- iii) 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.

**Note 2.7 : Trade payables**

Trade Payables - Including Acceptances

(i) Micro Enterprises and Small Enterprises (Refer Note No. 2.43)	-	-
(ii) Other Trade Payables	26,252.49	26,205.27
	<u>26,252.49</u>	<u>26,205.27</u>

**Note 2.8 : Other current liabilities**

Current maturities of long-term debt - Notes	53,291.13	45,571.54
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	9,218.62	10,194.84
Inter corporate Deposits	4,593.20	4,660.70
Other liabilities	365.21	784.62
Unclaimed dividends	12.83	12.83
Statutory remittances	40.39	41.23
Payables for Capital works	160.38	161.42
Advances from customers	130.94	205.96
	<u>67,812.70</u>	<u>61,633.14</u>

**Notes :**

- I) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, 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.
- II) 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 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.
- iii) The Company has not provided for interest on Unsecured Loans.

**Note 2.9 : Short-term provisions**

Provision for income tax	3,533.49	3,625.55
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
	<u>15,037.50</u>	<u>15,129.56</u>



Rupees in Lakhs

**Note: 2.10 A TANGIBLE ASSETS**

Tangible Assets	Gross Block			Depreciation			Net Block		
	As at 1st Apr 2015	Additions	As at 31 Mar 2016	As at 1st Apr 2015	For the period	Del/Adj	As at 31 Mar 2016	As on 31.03.2016	As on 31.03.2015
LAND	41.92	-	41.92	-	-	-	-	41.92	41.92
BUILDINGS	305.98	-	305.98	63.50	9.59	-	73.10	232.88	242.48
PLANT AND MACHINERY	7,133.62	151.55	7,285.17	3,393.75	409.44	-	3,803.19	3,481.98	3,739.87
ELECTRICAL INSTALLATION	432.77	-	432.77	225.42	53.20	-	278.62	154.15	207.35
COMPUTERS	10,629.67	14.49	10,644.16	9,882.61	405.47	-	10,288.08	356.08	747.06
OFFICE EQUIPMENT	222.54	1.76	224.31	54.77	38.61	-	93.38	130.93	167.77
FURNITURE & FIXTURES	196.12	-	196.12	145.99	10.32	-	156.31	39.80	50.13
VEHICLES	304.42	-	304.42	202.18	25.38	-	227.57	76.85	102.23
LEASEHOLD IMPROVEMENTS	48.71	-	48.71	39.29	6.91	-	46.20	2.51	9.42
<b>T O T A L(A)</b>	<b>19,315.75</b>	<b>167.81</b>	<b>19,483.55</b>	<b>14,007.51</b>	<b>958.93</b>	<b>-</b>	<b>14,966.44</b>	<b>4,517.97</b>	<b>5,308.23</b>
Previous Year	19,145.06	201.47	19,315.75	11,475.38	2,534.13	1.99	14,007.51	5,308.23	7,669.68

**Note: 2.10 B INTANGIBLE ASSETS**

Intangible Assets	Gross Block			Depreciation			Net Block		
	As at 1st Apr 2015	Additions	As at 31 Mar 2016	As at 1st Apr 2015	For the period	Del/Adj	As at 31 Mar 2016	As on 31.03.2016	As on 31.03.2015
Particulars	As at 1st Apr 2015	Additions	As at 31 Mar 2016	As at 1st Apr 2015	For the period	Del/Adj	As at 31 Mar 2016	As on 31.03.2016	As on 31.03.2015
SOFTWARE	17,979.20	3.75	17,982.95	16,827.36	157.00	-	16,984.35	998.60	1,151.84
<b>T O T A L(B)</b>	<b>17,979.20</b>	<b>3.75</b>	<b>17,982.95</b>	<b>16,827.36</b>	<b>157.00</b>	<b>-</b>	<b>16,984.35</b>	<b>998.60</b>	<b>1,151.84</b>
Previous Year	17,978.70	0.50	17,979.20	13,640.37	3,186.98	-	16,827.36	1,151.84	4,338.33
<b>Gross Total(A+B)</b>	<b>37,294.94</b>	<b>171.56</b>	<b>37,466.50</b>	<b>30,834.87</b>	<b>1,115.93</b>	<b>-</b>	<b>31,950.80</b>	<b>5,516.57</b>	<b>6,460.08</b>
Previous Year	37,123.76	201.97	37,294.94	25,115.75	5,721.11	1.99	30,834.87	6,460.08	12,008.01

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.11 : 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 2.12 : Deferred Tax Asset (Net)</b>		
a) Deferred tax liability due to:		
i) Difference between book balance and tax balance of fixed assets	(789.21)	(1,048.88)
	<u>(789.21)</u>	<u>(1,048.88)</u>
b) Deferred tax asset arising out of:		
i) Provision for employee benefits	38.96	73.74
ii) Provision for doubtful trade receivables, loans and advances	2,281.10	2,281.10
	<u>2,320.06</u>	<u>2,354.84</u>
Deferred tax Asset (net)	<u>1,530.86</u>	<u>1,305.96</u>
<b>Note 2.13 : Long-term loans and advances</b>		
i) (Unsecured and considered good)		
a) Capital Advances	9,061.49	9,062.09
b) Security deposits	2,904.02	3,238.84
c) Loans and advance to related parties	667.80	645.41
e) MAT credit entitlement	1,777.52	1,777.52
	<u>14,410.82</u>	<u>14,723.86</u>
<b>Note 2.14 : Inventories</b> (At lower of cost and net realisable value)		
Raw Materials	413.05	338.81
Finished Goods	354.27	348.16
Stock in Progress	28.85	28.14
	<u>796.17</u>	<u>715.10</u>

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.15 : Trade receivables (Unsecured)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	88,750.42	84,985.79
Considered Doubtful	7,035.92	7,030.67
	<u>95,786.34</u>	<u>92,016.47</u>
Less: Provision for doubtful trade receivables	<u>(7,035.92)</u>	<u>(7,030.67)</u>
(A)	<u>88,750.42</u>	<u>84,985.79</u>
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	445.23	336.47
Considered Doubtful	-	-
	<u>445.23</u>	<u>336.47</u>
Less: Provision for doubtful trade receivables		
(B)	<u>445.23</u>	<u>336.47</u>
(A+B)	<u>89,195.66</u>	<u>85,322.26</u>
<b>Note 2.16 : Cash and bank balances</b>		
Cash and cash equivalents		
Cash on Hand	0.57	0.36
In current accounts	115.56	133.03
In EEFC account	0.99	0.94
In Deposit accounts	-	10.99
Other bank balances		
Margin Money deposits	366.45	248.25
In Earmarked Accounts		
Unclaimed Dividend accounts	12.84	12.84
	<u>496.42</u>	<u>406.41</u>
<b>Note 2.17 : Short-term loans and advances</b>		
Security deposits	245.90	173.17
Loans and advances to employees	53.15	45.64
Prepaid expenses	5.78	2.92
CENVAT & vat credit receivable	6.21	2.09
Service tax credit receivable	20.35	34.70
TDS receivable	295.87	17.98
Advances for supply of goods and rendering of services	716.47	384.40
Others	-	0.18
Less: Provision for Doubtful Advances	<u>(14.08)</u>	<u>(14.08)</u>
	<u>1,329.65</u>	<u>647.02</u>
<b>Note 2.18 : Other current assets</b>		
Interest accrued but not due on deposits	61.55	44.16
Advance tax	3,233.72	3,472.96
	<u>3,295.27</u>	<u>3,517.11</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Rupees in Lakhs

Particulars	Year Ended 31 Mar 2016	Eighteen Months period ended 31 Mar 2015
<b>Note 2.19 : Revenue from operations</b>		
<b>A) Exports- Software</b>		
Value Added Domestic	-	-
Self Developed Exports	14.65	-
<b>B) Manufacturing</b>	<b>670.81</b>	1,865.96
<b>C) Trading</b>		
Software	-	-
Hardware	-	-
<b>D) Services</b>	<b>3,610.85</b>	2,064.16
<b>E) Other Operating Revenue</b>		
Sale of scrap	-	-
<b>Total</b>	<b>4,296.31</b>	3,930.12

Particulars of sale of products	Year ended 31 Mar 2016		Eighteen Months Period ended 31 Mar 2015	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
<b>A Manufactured goods</b>				
Cards & RFID	38,23,993	670.81	82,43,125	1,865.96
<b>Total</b>	<b>38,23,993</b>	<b>670.81</b>	82,43,125	1,865.96
<b>B Traded goods</b>				
High sea sales		-		-
Others		-		-
<b>Total</b>		-		-
<b>Total</b>	<b>38,23,993</b>	<b>670.81</b>	82,43,125	1,865.96

Particulars	Year ended 31 Mar 2016	Eighteen Months Period ended 31 Mar 2015
<b>Note 2.20 : Other Income</b>		
a) Interest on deposit with banks and others	26.05	3.14
b) Exchange gain (net)	1,765.05	(273.63)
d) Miscellaneous income	110.58	727.42
	<b>1,901.67</b>	456.94

Particulars	Rupees in Lakhs	
	Year ended 31 Mar 2016	Eighteen Months Period ended 31 Mar 2015
<b>Note 2.21 : Cost of materials consumed</b>		
Opening Stock	338.81	288.89
Add : Purchases	636.45	1,956.44
	<u>975.26</u>	<u>2,245.34</u>
Less : Closing stock	413.05	338.81
	<u>562.21</u>	<u>1,906.53</u>

**Details of raw materials consumed**

Particulars	Year ended 31 Mar 2016		Eighteen Months Period ended 31 Mar 2015	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	30,39,486	562.21	82,87,767	1,906.52
Software	-	-	-	-
<b>Total</b>	<u>30,39,486</u>	<u>562.21</u>	<u>82,87,767.00</u>	<u>1,906.52</u>

Particulars	Year ended 31 Mar 2016		Eighteen Months Period ended 31 Mar 2015	
	<b>Note 2.23 : Changes in inventories of finished goods, work in progress and stock-in-trade</b>			
Inventories at the beginning 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>
Inventories at the end of the year:				
Finished goods		354.27		348.16
Work in progress		28.85		28.14
Stock in trade		-		-
		<u>383.11</u>		<u>376.29</u>
Net (increase) / decrease		<u>(6.82)</u>		<u>(121.88)</u>

**Note 2.24 : Employee benefit expense**

Salaries, wages and bonus	412.54	780.92
Contribution to provident and other funds	33.42	63.60
Staff welfare expenses	9.47	7.55
	<u>455.42</u>	<u>852.07</u>

Note : Provision for leave encashment is not made in books of accounts. No bonus is provided in the accounts for the year under consideration.

**Note 2.25 : Finance costs**

Interest expense on Borrowings	5,364.15	6,973.33
Others	-	31.42
	<u>5,364.15</u>	<u>7,004.75</u>

Rupees in Lakhs

Particulars	Year ended 31 Mar 2016	Eighteen Months Period ended 31 Mar 2015
<b>Note 2.26 : Other expenses</b>		
Advertisement	2.16	44.04
Annual Maintenance Expenses	8.44	-
Bank charges	3.06	4.58
Business promotion	28.44	9.83
Communication	49.52	78.36
Directors' Sitting fees	1.00	1.20
Factory maintenance	2.17	-
Insurance	4.25	28.79
Job work charges	8.44	9.00
Manpower Charges(Factory)	9.26	-
Legal and professional	60.07	73.29
Miscellaneous expenses	27.77	30.69
Other manufacturing expenses	-	7.83
Power and fuel	39.39	65.92
Payments to auditors (Refer Note (i) below)	10.00	13.20
Printing and stationery	23.22	11.36
Bad Debts / Sundries Write off	78.72	10.84
Rates and taxes	1.84	3.84
Rent	45.66	58.99
Clearing and Forwarding Charges	15.22	-
Repairs and Maintenance-Machinery	-	1.89
Server Maintenance Charges	9.32	11.90
Postage & Courier	11.70	14.52
Vehicle Maintenance	6.11	14.20
Repairs and Maintenance	2.24	44.33
Enrolment Expenses	1,700.31	986.52
Discount Given	59.70	-
Security Charges	0.89	3.81
Vehicle Hire Charges	7.67	-
Other Expenses	3.00	-
Travelling and conveyance	25.87	164.34
Provisions for Advances / Claims /debts	-	-
	<u>2,245.42</u>	<u>1,693.26</u>
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	8.00	12.00
As auditors -Internal Audit	2.00	1.00
Other Services	-	0.20
Total	<u>10.00</u>	<u>13.20</u>

**Notes to Account:****2.27 Contingent Liabilities:**

## A. Claims Against The Company Not Acknowledged As Debts:

Disputed Taxes	As At 31.03.2016	As At 31.03.2015
Income Tax	4103.80	1975.47
Sales Tax	608.96	13.85

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

## B. Letters of Credit and Guarantees issued:

Rs In Lakhs

Particulars	As At 31.03.2016	As At 31.03.2015
Letters of Credit	-	-
Counter Guarantees Given To Banks Towards:		
-Bank Guarantees Issued	Rs.461.75	Rs.591.30
- Corporate Guarantees	-	-

2.28 Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,061.49 lakhs (31.03.2015 Rs.9,062.09 lakhs))] Rs1,355.54 lakhs (31.03.2015: Rs. 1,355.54 lakhs )

**2.29 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 with Reserve Bank of India and 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 31.03.2016		As At 31.03.2015	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	31302.20	31302.20	31,426.00	31,426.00
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	1786.50	1786.50	-	-
Less: Foreign Exchange Gain (net)	-	-	123.80	123.80
Closing Balance	33088.70	33088.70	31302.20	31302.20



**2.30 Derivative Instruments:**

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

Rs. in Lakhs

Particulars	As At 31.03.2016		As At 31.03.2015	
	US Dollar (lakhs)	Rupee Equivalent ( lakhs)	US Dollar (lakhs)	Rupee Equivalent ( lakhs)
Amount Receivable on Account of				
Export of Goods	1433.23	94847.24	1456.49	91182.57
Other Receivables				
Amount Payable on account of				
Import of Goods & Services	308.42	20410.34	318.42	19934.40
Capital Imports				
Foreign Currency Convertible Bonds	500.00	33088.70	500.00	31302.20
Redemption Premium on FCCB	163.10	10793.34	1823.06	10793.34
Other Payables				

**2.31 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**

Subsidiaries of Bartronics India Limited	Country of Incorporation	Percentage of Ownership Interest
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. K. Udai Sagar – Managing Director

**B. Related Party Transactions:**

Rs. in Lakhs

Transactions	Subsidiaries		Key Management Personnel and their Relatives	
	2015-16	2013-15	2015-16	2013-15
<b>Sales</b>				
Bartronics Asia Pte Ltd.	178.44	153.38	-	-
Bartronics Middle East FZE	-	-	-	-
<b>Purchases</b>				
Bartronics Asia Pte Ltd.	-	-	-	-
<b>Advances to</b>				
Bartronics Global Solutions	-	-	-	-
Bartronics Asia Pte Ltd.	-	-	-	-
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	-	-	-	-
Bartronics America Inc.	-	-	-	-
<b>Outstanding Balances</b>				
<b>Advances</b>				
Bartronics Asia Pte Ltd.	<b>(6718.72)</b>	(6312.88)	-	-
Bartronics Middle East FZE	-	-	-	-
Bartronics Global Solutions	<b>15.00</b>	27.50	-	-
<b>Receivables</b>			-	-
Bartronics Asia Pte Ltd.	<b>128.56</b>	82.13	-	-
Bartronics Middle East FZE	<b>3971.34</b>	2749.41	-	-

### 2.32 Disclosure as per the Listing Regulations/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 31.03.16	Maximum Balance Outstanding During the Year
Bartronics Asia Pte Ltd	Subsidiary	(6718.72) <i>(6312.88)</i>	(6718.72) <i>(6718.72)</i>
Bartronics Middle East FZE	Subsidiary	0.54 <i>0.54</i>	0.54 <i>0.54</i>
Bartronics Global Solutions Ltd	Fellow Subsidiary	15.00 <i>27.50</i>	27.50 <i>37.50</i>
Total		(6703.18) <i>(6284.84)</i>	(6690.68) <i>(6680.68)</i>

Figures in italics represent previous year's figures.

### 2.33 Managerial Remuneration

Rs. in Lakhs

Particulars	2015-16	2013-15
Salaries & Allowances	-	-
Contribution to Provident Fund	-	-
Directors' Sitting Fees	<b>1.00</b>	1.20
Total	<b>1.00</b>	1.20

- 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.

### 2.34 Auditor's Remuneration

Rs. in Lakhs

Particulars	2015-16	2013-15
Audit Fees	<b>8.00</b>	8.00
Limited Reviews	<b>2.00</b>	4.00
Other Services	-	0.20
Total	<b>10.00</b>	12.20

### 2.35 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			
	2015-2016		2013-2015		2015-2016		2013-2015	
Hong Kong	--	--	--	--	35590.94	37.52	33669.34	36.46
UAE	--	--	--	--	34853.87	36.75	32972.06	35.70
USA	--	--	--	--	--	--	--	--
Others	255.30	5.94	153.38	3.90	24402.44	25.73	24541.17	26.57
Outside India	255.30	5.94	153.38	3.90	94847.24	98.56	91182.57	98.73
Within India	4041.01	94.06	3776.74	96.10	1384.34	1.44	1170.35	1.27
Total	4296.31	100.00	3930.12	100.00	96231.58	100.00	92352.93	100.00

### 2.36. Composition of Deferred Tax Asset : Rs. in Lakhs

Particulars	As At 31.03.2015	Movement During the Year	As At 31.03.2016
<b>Deferred Tax Liability:</b>			
Relating to Fixed Assets	(1048.88)	259.68	<b>(789.20)</b>
Total	(1048.88)	259.68	<b>(789.20)</b>
<b>Deferred Tax Assets:</b>			
Provision for Doubtful Debts / Advances / Deposits	2281.10	0.00	<b>2281.10</b>
Disallowances under Section 43B	73.74	(34.78)	<b>38.96</b>
Unabsorbed Depreciation	--	--	<b>--</b>
Total	2354.84	(34.78)	<b>2320.06</b>
<b>Net Deferred Tax Liability</b>	1305.96	224.90	<b>1530.86</b>

**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.

### 2.37 Earnings Per Share:

Particulars	2015-16	2013-15
Profit after Taxation (Rs. in Lakhs)	<b>(3317.69)</b>	(11,244.82)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	<b>(3317.69)</b>	(11,244.82)
Weighted average number of equity shares used in computing Basic Earnings Per Share	<b>34,048,861</b>	34,048,861
Earnings per share – Face Value: Rs.10/- each		
- Basic	<b>(9.74)</b>	(33.03)
- Diluted	<b>(9.74)</b>	(33.03)

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

Particulars	2015-16		2013-15	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials				
- Imported	143.87	25.59%	1664.08	87.28%
- Indigenously	418.34	74.41%	242.44	12.72%
Total	562.21	100.00	1906.52	100.00%

### 2.39 Earnings in Foreign Exchange (on accrual basis) Rs. in Lakhs

Particulars	2015-16	2013-15
FOB Value of Exports	255.30	153.38
Others	--	--

**2.40. Expenditure in Foreign Currency (on accrual basis)**

Rs. in Lakhs

Particulars	2015-16	2013-15
Foreign Travel	19.86	27.04
Consultancy Charges	--	1.61
Others	8.77	--

**2.41. 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>			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	13.18	4.51	17.69
	<i>15.12</i>	<i>13.85</i>	<i>28.97</i>
Interest Cost	4.64	2.47	7.11
	<i>6.19</i>	<i>2.40</i>	<i>8.59</i>
Actuarial (Gains)/Losses	5.21	3.58	8.79
	<i>(3.85)</i>	<i>(1.27)</i>	<i>(5.12)</i>
Total expense included in the Statement of Profit & Loss	23.03	10.56	33.59
	<i>17.46</i>	<i>14.98</i>	<i>32.44</i>
<b>Net Liability recognised in Balance Sheet</b>			
Present Value of Defined Benefit Obligation	59.53	36.11	95.64
	<i>45.82</i>	<i>31.60</i>	<i>77.42</i>
Fair Value on Plan Assets	-	-	-
	<i>-</i>	<i>-</i>	<i>-</i>
Net Liability recognised in Balance Sheet	76.63	36.11	112.74
	<i>59.54</i>	<i>31.60</i>	<i>91.14</i>
<b>Change in Defined Benefit Obligations (DBO)</b>			
Present Value of DBO at Beginning of Period / Year	59.53	31.60	91.13
	<i>45.82</i>	<i>17.75</i>	<i>63.57</i>
Current Service Cost	13.18	4.51	17.69
	<i>15.12</i>	<i>13.85</i>	<i>28.97</i>
Interest Cost	4.64	2.47	7.11
	<i>6.18</i>	<i>2.40</i>	<i>8.58</i>
Actuarial (Gains)/Losses	5.21	3.58	8.79
	<i>(3.85)</i>	<i>(1.28)</i>	<i>(5.13)</i>
Benefits Paid	(5.93)	(6.05)	(11.98)
	<i>(3.74)</i>	<i>(1.12)</i>	<i>(4.86)</i>
Present Value of DBO at the End of Period/Year	76.63	36.11	112.74
	<i>59.53</i>	<i>31.60</i>	<i>91.13</i>
<b>Assumptions</b>			
Interest / Discount Rate			7.90%
			<i>7.80%</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	<b>2015-16</b>	2013-15	2012-13	2011-12	2010-11
	<b>Gratuity</b>				
Present value of defined benefit obligation	<b>76.63</b>	59.53	45.82	95.45	44.46
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>76.63</b>	59.53	45.82	95.45	44.46
	<b>Compensated Absences</b>				
Present value of defined benefit obligation	<b>36.11</b>	31.60	17.75	60.85	21.5
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>36.11</b>	31.60	17.75	60.85	21.5

**2.42** 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.

**2.43** 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.

**2.44** 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.1,355.54 Lakhs (2013-15 : Rs. 1,355.54 lakhs). Further amounts aggregating to Rs. 9061.49 Lakhs (2013-15:Rs.9062.09 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.

**2.45** The figures for the previous year have been reclassified / regrouped / amended, wherever necessary.

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 : 30th May 2016

**K. Udai Sagar**  
Managing Director

Place : Hyderabad  
Date : 30th May 2016

**A. B. Satyavas Reddy**  
Director

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## **Consolidated Accounts for the Year Ended 31st March 2016**

Consisting of (a) annual audited accounts of your Company for the year ended 31st March 2016, (b) un-audited financial statements of Bartronics Asia Pte Ltd, for the year ended 31st March 2016 and (c) un-audited financial statements of Bartronics Middle East FZE for the year ended 31st March 2016.

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## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' 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 ('the Holding Company')** and its subsidiary companies (the Company and its subsidiary companies together referred as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, 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 ('the consolidated financial statements').

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

The 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 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary companies 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

#### Auditors' 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 the 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 auditors' 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 the internal financial controls relevant to the 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. 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 consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the



‘Other Matter’ 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 as at March 31, 2016 and its consolidated profit and its 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 2.8 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 2.12 (i)(a) forming part of the Financial Statement regarding Capital advances to the extent of Rs. 9,061.49 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 2.14 forming part of the Statement regarding Trade Receivables aggregating to Rs.95,635.12 Lakhs are more than three years old and in respect of which the Company provided only Rs.7,035.92 lakhs. We are unable to form an opinion on the extent to which the debts may be recoverable.
- d) Note 2.29 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs. 33,088.70 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 2.39 forming part of the financial statements regarding the uncertainties relating to MCD Project – “Apke Dwar Project”, the matter is in arbitration.
- f) The LIC of India, Andhra Bank, Bank of India, Indian Bank, Barclays Bank, IDBI Bank filed cases in DRT. A criminal case was also filed by a creditor at Delhi. There are certain cases against the Company pending at the Labour Court of India.

Our opinion is not modified in respect of these matters.

### Other Matters

(We did not audit the financial statements of 2 direct subsidiary companies, whose financial statements reflect total assets of 19,035.58 Lakhs as at March 31, 2016, total revenues of 12,403.53 Lakhs and net cash inflows amounting to 14.21 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These un-audited financial statements/consolidated financial statements and other financial information have been certified by the management and furnished to us, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the un-audited financial statement /consolidated financial statements certified by the management.

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 matter.

### Report on Other Legal and Regulatory Requirements

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 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 consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Holding Company none of the Directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our report in “Annexure A”, which is based on the Auditors’ Reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company.
- g) With respect to the other matters to be included in the Auditors’ 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) The consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2016 - Also Refer Note 2.27 to the financial statements
  - ii) The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for 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

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

T. Raghavendra  
Proprietor  
(Membership No. 023806)

Place: Hyderabad  
Date: 30-05-2016

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Bartronics India Limited ('the Holding Company') as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in foreign countries is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in

accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

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

T. Raghavendra  
Proprietor  
(Membership No. 023806)

Place: Hyderabad  
Date: 30-05-2016

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016**

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 31 March 2016	For the Previous Reporting Date 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
a) Share capital	2.1	3,404.89	3,404.89
b) Reserves and surplus	2.2	20,451.14	22,760.03
		<u>23,856.03</u>	<u>26,164.91</u>
<b>2 Non-Current Liabilities</b>			
a) Long-term borrowings	2.3	-	2.28
b) Deferred tax liabilities (net)	2.4	-	-
c) Other non current liabilities		-	-
d) Long term Provisions	2.5	120.08	227.27
		<u>120.08</u>	<u>229.55</u>
<b>3 Current Liabilities</b>			
a) Short-term borrowings	2.6	17,245.49	16,885.27
b) Trade payables	2.7	29,833.27	37,609.80
c) Other current liabilities	2.8	81,088.14	61,857.88
d) Short-term provisions	2.9	15,037.50	15,129.56
		<u>1,43,204.39</u>	<u>1,31,482.51</u>
<b>TOTAL</b>		<u>1,67,180.50</u>	<u>1,57,876.98</u>
<b>II. ASSETS</b>			
<b>1 Non- Current Assets</b>			
a) Fixed assets			
i) Tangible assets	2.10 A	4,911.50	5,701.77
ii) Intangible Assets	2.10 B	20,470.53	20,607.25
iii) Capital work in progress		1,355.54	1,355.54
		<u>26,737.57</u>	<u>27,664.56</u>
b) Non-current investments		-	-
c) Deferred tax Asset (net)	2.11	1,530.85	1,305.96
d) Long-term loans and advances	2.12	13,749.65	14,724.62
Good will on consolidation		392.75	392.75
		<u>42,410.82</u>	<u>44,087.88</u>
<b>2 Current Assets</b>			
a) Current investments			
b) Inventories	2.13	796.17	715.10
c) Trade receivables	2.14	1,16,947.39	1,06,780.26
d) Cash and bank balances	2.15	563.47	459.24
e) Short-term loans and advances	2.16	3,167.38	2,317.39
f) Other Current Assets	2.17	3,295.27	3,517.11
		<u>1,24,769.68</u>	<u>1,13,789.10</u>
<b>TOTAL</b>		<u>1,67,180.50</u>	<u>1,57,876.98</u>

SIGNIFICANT ACCOUNTING POLICIES 1

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 : 30th May 2016

**K. Udai Sagar**

Managing Director

Place : Hyderabad

Date : 30th May 2016

**A. B. Satyavas Reddy**

Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2016

Rupees in Lakhs

Particulars	Note No	For the Year Ended 31 March 2016	For the Eighteen Months period ended 31 March 2015
<b>I. Revenue</b>			
Revenue from operations (gross)		11,068.08	10,817.45
Less: Excise duty		72.60	-
Revenue from operations (net)	2.18	10,995.48	10,817.45
Other income	2.19	7,606.03	6,203.12
<b>Total revenue</b>		<b>18,601.51</b>	<b>17,020.57</b>
<b>II. Expenses</b>			
Cost of materials consumed	2.20	6,217.58	5,038.40
Purchase of stock-in-trade	2.21	-	-
Change in inventories of finished goods work in progress and stock-in-trade	2.22	(6.82)	(121.88)
Employee benefits expense	2.23	881.04	1,744.23
Finance costs	2.24	5,364.15	7,004.75
Depreciation and amortisation expense	2.10 A&B	1,116.09	5,735.43
Other expenses	2.25	2,926.05	8,864.50
Prior Period Expenses		4.25	104.98
Extraordinary loss		5,670.88	-
<b>Total expenses</b>		<b>22,173.21</b>	<b>28,370.41</b>
<b>III. Profit / (Loss ) before tax (I-II)</b>		<b>(3,571.71)</b>	<b>(11,349.84)</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		224.90	1,483.94
d) Less : Reversal of Excess Income tax Provided in Previous Years		-	-
		<b>(224.90)</b>	<b>(1,483.94)</b>
<b>V. Profit for the year/period (III-IV)</b>		<b>(3,346.81)</b>	<b>(9,865.90)</b>
Earnings per equity share of Rs.10 Each			
Basic Rs.		(9.83)	(28.98)
Diluted Rs.		(9.83)	(28.98)

SIGNIFICANT ACCOUNTING POLICIES

1

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 : 30th May 2016**K. Udai Sagar**  
Managing DirectorPlace : Hyderabad  
Date : 30th May 2016**A. B. Satyavas Reddy**  
Director

**Consolidated Cash Flow Statement for the period ended 31.03.2016**

Rs.in Lakhs

Particulars	Note No.	For the Year Ended 31 March 2016	For the Eighteen Months period ended 31 March 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax as per Profit & Loss Account		(3,571.71)	(11,349.84)
<b>Adjustments for</b>			
Depreciation & Amortisation		1,116.09	5,735.43
Reversal of Income tax		-	-
Financial Expenses		5,364.15	7,004.75
Interest income		(26.05)	(3.14)
Loss on Sale of Fixed Assets		-	1.42
Provisions for Advances/Claims/Debts		-	-
Unrealised Foreign Exchange loss		(1,812.84)	(274.99)
Adjustment of Previous Year Profits		1,037.92	(1,351.20)
<b>Operating Profit Before Working Capital Changes</b>		<b>2,107.56</b>	<b>(237.57)</b>
<b>Adjustments for</b>			
Decrease/(Increase) in Inventories		(81.06)	(171.80)
Increase in Trade Receivables		(5,030.53)	25,852.75
Decrease/(Increase) in Long & Short Term Loans & Advances		(260.35)	(1,593.55)
Increase/(Decrease) in Current & Non Current Liabilities		2,620.01	(11,591.16)
Increase/(Decrease) in Long & Short Term Provisions		(107.19)	25.14
		<b>(751.56)</b>	<b>12,283.81</b>
Other Income		-	-
Exceptional Items		-	-
Cash Generated from Operations		<b>(751.56)</b>	<b>12,283.81</b>
<b>Taxes Paid</b>		<b>-</b>	<b>-</b>
<b>Cash from Operating Activities (A)</b>		<b>(751.56)</b>	<b>12,283.81</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(189.10)	(201.97)
Sale of Fixed Assets		-	4.36
Decrease/(Increase) in Capital Work In progress		0.00	(14.98)
Increase/(Decrease) in Other Reserves		-	974.21
Advance to Subsidiaries		638.77	2.42
Advance from Subsidiaries		-	(3,188.98)
Interest Received		26.05	3.14
<b>Cash from Investment Activities (B)</b>		<b>475.72</b>	<b>(2,421.80)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share Premium Received		-	-
Increase/ (Decrease) in Loan Funds		5,836.27	(4,504.58)
Dividend & Taxes paid		(92.06)	(184.64)
Interest & Financial Charges		(5,364.15)	(7,004.75)
<b>Net Cash from financing activities (C)</b>		<b>380.07</b>	<b>(11,694.01)</b>
<b>Net Increase in cash and cash equivalent (A+B+C)</b>		<b>104.23</b>	<b>(1,832.00)</b>
Opening Cash and Cash Equivalents		459.24	2,291.24
<b>Cash and Cash Equivalent as on 31.03.2016</b>	2.16	<b>563.47</b>	<b>459.24</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	1		

**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 366.45 lakhs (31.03.2015 : Rs. 248.25 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 T.Raghavendra & Associates**

Chartered Accountants

(FRN : 003329S)

**T.Raghavendra**

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2016

For and on behalf of the Board of Directors

**K. Udai Sagar**  
Managing Director

Place : Hyderabad

Date : 30th May 2016

**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 2016	As at 31 Mar 2015
<b>Note 2.1 : Share capital</b>		
<b>Authorised</b>		
i) 110,000,000 (31.03.2015:110,000,000) Equity Shares of Rs.10 each	11,000.00	11,000.00
<b>Issued, subscribed and fully paid up</b>		
i) 34,048,861 (31.03.2015 : 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 March 31, 2016 and March 31, 2015 is as follows :**

Particulars	Year ended 31 Mar 2016		Eighteen Months period ended 31 Mar 2015	
	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	Year ended 31 Mar 2016		Eighteen Months period ended 31 Mar 2015	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & 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 2016	As at 31 Mar 2015
<b>Note 2.2 : Reserves and surplus</b>		
i) Capital reserve		
Opening balance	5,439.46	4,465.25
Add: Additions during the year/period ( note )	-	974.21
Closing balance	5,439.46	5,439.46
ii) Securities premium account		
Opening balance	17,703.99	17,703.99
Add: Premium on conversion of FCCB's	-	-
Less: Premium on Redemption of FCCB's	-	-
	17,703.99	17,703.99
iv) General reserve	125.00	125.00
v) Surplus in statement of profit and loss		
Opening balance	(508.43)	10,731.70
Add: Profit for the year/period	(3,346.81)	(9,865.90)
Less: Appropriations	-	-
Proposed dividend	-	-
Dividend distribution tax	-	-
Less : Adjustment	1,037.92	(1,374.23)
Closing balance	(2,817.31)	(508.43)
Total	20,451.14	22,760.03
<b>Note 2.3 : Long term borrowings</b>		
<b>Secured</b>		
a) Term loans from		
i) Banks	-	-
ii) Financial institutions	-	-
iii) Others	-	2.28
	-	2.28
<b>Note 2.4 : Deferred tax liabilities (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	-	-
	-	-
Deferred tax asset:		
Provision for employee benefits	-	-
Provision for doubtful trade receivables, loans and advances	-	-
Unabsorbed / Depreciation	-	-
	-	-
Deferred tax liabilities (net)	-	-
<b>Note 2.5 : Long-term provisions</b>		
Provision for Employee benefits (Refer note. 28)	120.08	227.27
	120.08	227.27

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.6 : Short-term borrowings</b>		
From Banks	17,245.49	16,885.27
Unsecured Loans from Subsidiaries	-	-
	<u>17,245.49</u>	<u>16,885.27</u>
i) Loans repayable on demand includes an amount of Rs. 17245.49 lakhs (31.03.2015 : Rs. 16885.27 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.		
ii) Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd.		
iii) 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 2.7 : Trade payables</b>		
Trade Payables - Including Acceptances		
(i) Micro Enterprises and Small Enterprises	-	-
(ii) Other Trade Payables	29,833.27	37,609.80
	<u>29,833.27</u>	<u>37,609.80</u>
<b>Note 2.8 : Other current liabilities</b>		
Current maturities of long-term debt - Notes	53,291.13	45,571.54
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	9,218.62	10,194.84
Inter corporate Deposits	4,593.20	4,660.70
Other liabilities	13,640.65	1,009.36
Unclaimed dividends	12.83	12.83
Statutory remittances	40.39	41.23
Payables for Capital works	160.38	161.42
Advances from customers	130.94	205.96
	<u>81,088.14</u>	<u>61,857.88</u>
i) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, 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.		
ii) 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 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		
iii) The Company has not provided for interest on Unsecured Loans		
<b>Note 2.9 : Short-term provisions</b>		
Provision for income tax	3,533.49	3,625.55
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
	<u>15,037.50</u>	<u>15,129.56</u>



Rupees in Lakhs											
Tangible Assets	Gross Block					Depreciation				Net Block	
	As at 1st Apr 2015	Additions	Del / Adj	Ast at 31 Mar 2016	As at 1st Apr 2015	For the period	Del / Adj	Ast at 31 Mar 2016	As on 31.03.2016	As on 31.03.2015	
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92	
Buildings	305.98	-	-	305.98	63.50	9.59	-	73.10	232.88	242.48	
Plant And Machinery	7,133.62	151.55	-	7,285.17	3,393.75	409.44	-	3,803.19	3,481.98	3,739.87	
Electrical Installation	432.77	-	-	432.77	225.42	53.20	-	278.62	154.15	207.35	
Computers	11,249.94	14.49	-	11,264.43	10,265.64	405.47	-	10,671.11	593.32	984.30	
Office Equipment	234.79	1.76	-	236.55	57.16	38.61	-	95.77	140.79	177.63	
Furniture & Fixtures	423.29	-	-	423.29	260.10	10.32	-	270.42	152.87	163.19	
Vehicles	379.87	-	-	379.87	244.26	25.38	-	269.64	110.23	135.61	
Leaschold Improvements	48.71	-	-	48.71	39.29	6.91	-	46.20	2.51	9.42	
<b>T O T A L (A)</b>	<b>20,250.89</b>	<b>167.81</b>	<b>-</b>	<b>20,418.70</b>	<b>14,549.12</b>	<b>958.93</b>	<b>-</b>	<b>15,508.05</b>	<b>4,911.50</b>	<b>5,701.77</b>	
Previous Year	20,080.20	201.47	30.78	20,250.89	12,017.00	2,534.13	1.99	14,549.13	5,701.76	8,063.20	

**Note : 2.10 B**

Intangible Assets	Gross Block					Depreciation				Net Block	
	As at 1st Apr 2015	Additions	Del / Adj	Ast at 31 Mar 2016	As at 1st Apr 2015	For the period	Del / Adj	Ast at 31 Mar 2016	As on 31.03.2016	As on 31.03.2015	
Particulars	18,031.85	3.75	-	18,035.60	16,859.87	157.00	-	17,016.87	1,037.82	1,171.98	
Software	13,453.89	-	-	13,453.89	-	-	-	-	13,453.89	13,453.89	
Coarants	6,875.75	-	-	6,875.75	894.37	0.19	-	894.56	5,978.82	5,981.38	
<b>T O T A L (B)</b>	<b>38,361.49</b>	<b>3.75</b>	<b>-</b>	<b>38,365.24</b>	<b>17,754.24</b>	<b>157.19</b>	<b>-</b>	<b>17,911.43</b>	<b>20,470.53</b>	<b>20,607.25</b>	
Previous Year	38,360.99	0.50	-	38,361.49	14,552.94	3,201.30	-	17,754.24	20,607.25	23,808.05	
<b>Gross Total (A+B)</b>	<b>58,612.38</b>	<b>171.56</b>	<b>-</b>	<b>58,783.94</b>	<b>32,303.36</b>	<b>1,116.12</b>	<b>-</b>	<b>33,419.48</b>	<b>25,382.03</b>	<b>26,309.02</b>	
Previous Year	58,441.19	201.97	30.78	58,612.38	26,569.94	5,735.43	1.99	32,303.38	26,309.01	31,871.26	

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.11 : Deferred tax Asset (net)</b>		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	(789.21)	(1,048.88)
	<u>(789.21)</u>	<u>(1,048.88)</u>
Deferred tax asset:		
Provision for employee benefits	38.96	73.74
Provision for doubtful trade receivables, loans and advances	2,281.10	2,281.10
Unabsorbed /Depreciation	-	-
	<u>2,320.06</u>	<u>2,354.84</u>
Deferred tax liabilities (net)	<u>1,530.85</u>	<u>1,305.96</u>
<b>Note 2.12 : Long-term loans and advances</b>		
i) (Unsecured and considered good)		
a) Capital Advances	9,061.49	9,062.09
b) Security deposits	2,904.02	3,239.61
c) Loans and advance to related parties	6.62	645.41
d) MAT credit entitlement	1,777.52	1,777.52
	<u>13,749.65</u>	<u>14,724.62</u>
<b>Note 2.13 : Inventories (At lower of cost and net realisable value)</b>		
Raw Materials	413.05	338.81
Finished Goods	354.27	348.16
Stock in Progress	28.85	28.14
	<u>796.17</u>	<u>715.10</u>
<b>Note 2.14 : Trade receivables (Unsecured)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	1,16,447.78	1,06,443.79
Considered Doubtful	7,035.92	7,030.67
	<u>1,23,483.70</u>	<u>1,13,474.46</u>
Less: Provision for doubtful trade receivables	(7,035.92)	(7,030.67)
(A)	<u>1,16,447.78</u>	<u>1,06,443.79</u>
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	499.61	336.47
Considered Doubtful	-	-
	<u>499.61</u>	<u>336.47</u>
Less: Provision for doubtful trade receivables	-	-
(B)	<u>499.61</u>	<u>336.47</u>
(A+B)	<u>1,16,947.39</u>	<u>1,06,780.26</u>

Rupees in Lakhs

PARTICULARS	As at 31 Mar 2016	As at 31 Mar 2015
<b>Note 2.15 : Cash and bank balances</b>		
Cash and cash equivalents		
Cash on Hand	0.57	0.36
In current accounts	182.61	185.86
In EEFC account	0.99	0.94
In Deposit accounts	-	10.99
Other bank balances		
Margin Money deposits	366.45	248.25
In Earmarked Accounts		
Unclaimed Dividend accounts	12.84	12.84
	<b>563.47</b>	<b>459.24</b>
<b>Note 2.16 : Short-term loans and advances</b>		
Security deposits	246.71	173.17
Loans and advances to employees	53.15	45.64
Prepaid expenses	86.65	1,659.85
CENVAT & vat credit receivable	6.21	2.09
Service tax credit receivable	20.35	34.70
TDS receivable	295.87	17.98
Advances for supply of goods and rendering of services	2,472.51	397.85
Others	-	0.18
Less: Provision for Doubtful Advances	(14.08)	(14.08)
	<b>3,167.38</b>	<b>2,317.39</b>
<b>Note 2.17 : Other current assets</b>		
Interest accrued but not due on deposits	61.55	44.16
Advance tax	3,233.72	3,472.96
	<b>3,295.27</b>	<b>3,517.11</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Rupees in Lakhs

Particulars	Period Ended 31 Mar 2016	Eighteen Months period ended 31 Mar 2015
<b>Note 2.18 : Revenue from operations</b>		
<b>A) Exports- Software</b>		
Value Added Domestic	-	-
Self Developed Exports	14.65	-
<b>B) Manufacturing</b>	<b>670.81</b>	1,865.96
<b>C) Trading</b>		
Software	-	-
Hardware	5,675.10	-
<b>D) Services</b>	<b>4,634.92</b>	8,951.49
<b>E) Other Operating Revenue</b>		
Sale of scrap	-	-
<b>Total</b>	<b>10,995.48</b>	10,817.45

Particulars of sale of products	Year ended 31 Mar 2016		Eighteen Months Period ended 31 Mar 2015	
	Qty. (Nos.)	Rupees in Lakhs	Qty. (Nos.)	Rupees in Lakhs
<b>A Manufactured goods</b>				
Cards & RFID	38,23,993	670.81	82,43,125	1,865.96
<b>Total</b>	<b>38,23,993</b>	<b>670.81</b>	82,43,125	1,865.96

Particulars	Year ended 31 Mar 2016	Eighteen Months Period ended 31 Mar 2015
<b>Note 2.19 : Other Income</b>		
a) Interest on deposit with banks and others	26.05	3.14
b) Exchange gain (net)	1,765.05	(273.63)
c) Creditors no longer payable	-	-
d) Miscellaneous income	5,814.93	6,473.61
	<b>7,606.03</b>	6,203.12

Rupees in Lakhs

Particulars	Period Ended 31 Mar 2016	Eighteen Months period ended 31 Mar 2015
<b>Note 2.20 : Cost of materials consumed</b>		
Opening Stock	338.81	288.89
Add : Purchases	6,291.82	5,088.32
	<u>6,630.63</u>	<u>5,377.21</u>
Less : Closing stock	413.05	338.81
	<u>6,217.58</u>	<u>5,038.40</u>

Details of raw materials consumed	Year ended 31 Mar 2016		Eighteen Months Period ended 31 Mar 2015	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	30,39,486	6,217.58	82,87,767	5,038.40
Software	-	-	-	-
<b>Total</b>	<u>30,39,486</u>	<u>6,217.58</u>	<u>82,87,767.00</u>	<u>5,038.40</u>

Particulars	Period Ended 31 Mar 2016	Eighteen Months period ended 31 Mar 2015
<b>Note 2.22 : Changes in inventories of finished goods, work in progress and stock-in-trade</b>		
Inventories at the beginning 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>
Inventories at the end of the year:		
Finished goods	354.27	348.16
Work in progress	28.85	28.14
Stock in trade	-	-
	<u>383.11</u>	<u>376.29</u>
<b>Net (increase) / decrease</b>	<u>(6.82)</u>	<u>(121.88)</u>

**Note 2.23 : Employee benefit expense**

Salaries, wages and bonus	838.15	1,673.08
Contribution to provident and other funds	33.42	63.60
Staff welfare expenses	9.47	7.55
	<u>881.04</u>	<u>1,744.23</u>

1. Provision leave encashment is not made in books of accounts. No bonus is provided in the accounts for the year under consideration.

Particulars	Rupees in Lakhs	
	Period Ended 31 Mar 2016	Eighteen Months period ended 31 Mar 2015
<b>Note 2.24 : Finance costs</b>		
Interest expense on Borrowings	5,364.15	6,973.33
Others	-	31.42
	<b>5,364.15</b>	<b>7,004.75</b>
<b>Note 2.25 : Other expenses</b>		
Advertisement	2.16	44.04
Annual Maintenance Expenses	8.44	-
Service Related expenses	256.58	7,167.02
Bank charges	3.73	5.01
Business promotion	28.44	9.83
Communication	49.52	78.36
Directors' Sitting fees	1.00	1.20
Factory maintenance	2.17	-
Insurance	4.25	28.79
Job work charges	8.44	9.00
Manpower Charges(Factory)	9.26	-
Legal and professional	473.25	73.29
Miscellaneous expenses	37.97	34.48
Other manufacturing expenses	-	7.83
Power and fuel	39.39	65.92
Payments to auditors (Refer Note (i) below)	10.00	13.20
Printing and stationery	23.22	11.36
Bad Debts / Sundries Write off	78.72	10.84
Rates and taxes	1.84	3.84
Rent	45.66	58.99
Clearing and Forwarding Charges	15.22	-
Repairs and Maintenance-Machinery	-	1.89
Server Maintenance Charges	9.32	11.90
Postage & Courier	11.70	14.52
Vehicle Maintenance	6.11	14.20
Repairs and Maintenance	2.24	44.33
Enrolment Expenses	1,700.31	986.52
Discount Given	59.70	-
Security Charges	0.89	3.81
Vehicle Hire Charges	7.67	-
Other Expenses	3.00	-
Travelling and conveyance	25.87	164.34
Provisions for Advances / Claims /debts	-	-
	<b>2,926.05</b>	<b>8,864.50</b>
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	8.00	12.00
As auditors -Internal Audit	2.00	1.00
Other Services	-	0.20
<b>Total</b>	<b>10.00</b>	<b>13.20</b>

**2.26 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%

**2.27 Contingent Liabilities:**

A) Claims Against The Company Not Acknowledged As Debts: Rs. In Lakhs

Disputed Taxes	As At 31.03.2016	As At 31.03.2015
Income Tax	4103.80	1975.47
Sales Tax	608.96	13.85

Future cash outflows in respect of the above are determinable only on receipt of judgement / decisions pending with various forums / authorities.

B) Letters of Credit and Guarantees issued: Rs. In Lakhs

Particulars	As At 31.03.2016	As At 31.03.2015
Letters of Credit	-	-
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	Rs.461.75	Rs.591.30
- Corporate Guarantees	-	-

**2.28** Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,061.49 lakhs (31.03.2015 Rs.9,062.09 lakhs))] Rs1,355.54 lakhs (31.03.2015: Rs. 1,355.54 lakhs).

**2.29 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 with Reserve Bank of India and 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 31.03.2016		As At 31.03.2015	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	31302.20	31302.20	31,426.00	31,426.00
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	1786.50	1786.50	--	--
Less: Foreign Exchange Gain (net)	-	-	123.80	123.80
Closing Balance	33088.70	33088.70	31302.20	31302.20

**2.30 Sales:****Self Developed Software**

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

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

Mr. K. Udai Sagar – Managing Director

**A. Related Party Transactions:**

Rs. in Lakhs

Transactions	Subsidiaries		Key Management Personnel	
	2015-16	2013-15	2015-16	2013-15
<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>				

**2.32 Auditors' Remuneration**

Rs in Lakhs

Particulars	2015-16	2013-15
Audit Fees	8.00	8.00
Limited Reviews	2.00	4.00
Other Services	-	0.20
Auditors of Subsidiaries		
Audit fees	--	--
<b>Total</b>	<b>10.00</b>	<b>12.20</b>

The above excludes applicable service tax and cess thereon.

**2.33 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	2015-2016	2013-2015
<b>Segment Revenue</b>		
- Within India	4041.01	3776.74
- Outside India	6954.47	7040.71
<b>Total Revenue</b>	<b>10995.48</b>	<b>10,817.45</b>
<b>Segment Assets</b>		
- Within India	60,333.61	60,074.00
- Outside India	106,849.89	97,802.98
<b>Total Assets</b>	<b>167,180.50</b>	<b>157,876.98</b>
<b>Segment Liabilities</b>		
- Within India	72,969.22	74,320.68
- Outside India	70,355.26	57,391.39
<b>Total Liabilities</b>	<b>143,324.48</b>	<b>131,712.07</b>



<b>Capital Expenditure</b>		
<b>Tangible Assets:</b>		
- Within India	<b>167.81</b>	201.47
- Outside India	--	--
<b>Intangible Assets:</b>		
- Within India	<b>3.75</b>	0.50
- Outside India	--	--
<b>Total Capital Expenditure</b>	<b>171.56</b>	201.98

**2.34 Composition of Deferred Tax Liability:**

Rs. in Lakhs

Particulars	As At 01.04.2015	Movement During the Year	As At 31.03.2016
<b>Deferred Tax Liability:</b>			
Relating to Fixed Assets	(1048.88)	259.68	<b>(789.20)</b>
<b>Total</b>	<b>(1048.88)</b>	<b>259.68</b>	<b>(789.20)</b>
<b>Deferred Tax Assets:</b>			
Provision for Doubtful Debts / Advances / Deposits	2281.10	0.00	<b>2281.10</b>
Disallowances under Section 43B	73.74	(34.78)	<b>38.96</b>
<b>Total</b>	<b>2354.84</b>	<b>(34.78)</b>	<b>2320.06</b>
<b>Net Deferred Tax Asset</b>	<b>1305.96</b>	<b>224.90</b>	<b>1530.86</b>

**2.35 Earnings Per Share:**

Particulars	2015-16	2013-15
Profit after Taxation (Rs. in Lakhs)	<b>(3346.81)</b>	(9865.90)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	<b>(3346.81)</b>	(9865.90)
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>(9.83)</b>	(28.98)
- Diluted	<b>(9.83)</b>	(28.98)

**2.36 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>			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	13.18	4.51	17.69
	15.12	13.85	28.97
Interest Cost	4.64	2.47	7.11
	6.19	2.40	8.59
Actuarial (Gains)/Losses	5.21	3.58	8.79
	(3.85)	(1.27)	(5.12)
Total expense included in the Statement of Profit & Loss	23.03	10.56	33.59
	17.46	14.98	32.44
<b>Net Liability recognised in Balance Sheet</b>			
Present Value of Defined Benefit Obligation	59.53	36.11	95.64
	45.82	31.60	77.42
Fair Value on Plan Assets	-	-	-
	-	-	-
Net Liability recognised in Balance Sheet	76.63	36.11	112.74
	59.54	31.60	91.14

<b>Change in Defined Benefit Obligations (DBO)</b>			
Present Value of DBO at Beginning of Period / Year	59.53	31.60	91.13
	<i>45.82</i>	<i>17.75</i>	<i>63.57</i>
Current Service Cost	13.18	4.51	17.69
	<i>15.12</i>	<i>13.85</i>	<i>28.97</i>
Interest Cost	4.64	2.47	7.11
	<i>6.18</i>	<i>2.40</i>	<i>8.58</i>
Actuarial (Gains)/Losses	5.21	3.58	8.79
	<i>(3.85)</i>	<i>(1.28)</i>	<i>(5.13)</i>
Benefits Paid	(5.93)	(6.05)	(11.98)
	<i>(3.74)</i>	<i>(1.12)</i>	<i>(4.86)</i>
Present Value of DBO at the End of Period/Year	76.63	36.11	112.74
	<i>59.53</i>	<i>31.60</i>	<i>91.13</i>

<b>Assumptions</b>	
Interest / Discount Rate	7.90%
	<i>7.80%</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	2015-16	2013-15	2012-13	2011-12	2010-11
	<b>Gratuity</b>				
Present value of defined benefit obligation	<b>76.63</b>	59.53	45.82	95.45	44.46
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>76.63</b>	59.53	45.82	95.45	44.46
	<b>Compensated Absences</b>				
Present value of defined benefit obligation	<b>36.11</b>	31.60	17.75	60.85	21.5
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	<b>36.11</b>	31.60	17.75	60.85	21.5

**2.37 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.

**2.38.** 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.

**2.39.** 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.1,355.54 Lakhs (2013-15 : Rs. 1,355.54 lakhs). Further amounts aggregating to Rs. 9061.49 Lakhs (2013-15:Rs.9062.09 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.

**2.40.** The figures for the previous year have been reclassified / regrouped / amended, wherever necessary.

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 : 30th May 2016

**K. Udai Sagar**  
Managing Director

Place : Hyderabad  
Date : 30th May 2016

**A. B. Satyavas Reddy**  
Director

# 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 (24th 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 24th Annual General Meeting held on Monday, 26th September, 2016 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	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the period ended 31st March, 2016.		
2.	Re-appointment of Mr. A. B. Satyavas Reddy, as Director who retires by rotation.		
3.	Re-appointment of M/s. T. Raghavendra & Associates, Chartered Accountants as Statutory Auditors of the Company.		
<b>Special Business</b>			
4.	Appointment of Mr. K. Udai Sagar, as Managing Director & Key Managerial Person of the Company.		
5.	Appointment of Mrs. V. Geetha as an Independent Director in terms of Section 149 of the Companies Act, 2013.		
6.	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 Sept, 2016

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 24th Annual General Meeting.
3. It is optional to put a '✓' 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			
<b>BALLOT PAPER</b>				
<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>		
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:				
<b>Item No.</b>	<b>Resolution</b>	<b>No. of shares held</b>	<b>I assent to the resolution</b>	<b>I dissent to the resolution</b>
<b>Ordinary Business</b>				
1.	Adoption of Financial Statements for the period ended 31st March, 2016			
2.	Re-appointment of Mr. A. B. Satyavas Reddy, who retires by rotation.			
3.	Re-appointment of M/s. T. Raghavendra & Associates, Chartered Accountants as Statutory Auditors of the Company.			
<b>Special Business</b>				
4.	Appointment of Mr. K. Udai Sagar, as Managing Director & Key Managerial Person of the Company.			
5.	Appointment of Mrs. V. Geetha as an Independent Director in terms of Section 149 of the Companies Act, 2013.			
6.	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(✓) 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 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 and on the website of www.bighshareonline.com within two(2) days after conclusion of AGM of the Company and communicated to the Stock Exchanges.

**INTENTIONALLY KEPT BLANK**

**PRINTED MATTER  
BY REGISTERED POST / SPEED POST / COURIER**

*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)