BARTRONICS
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Bartronics India Limited

20th Annual Report

2010-2011

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CORPORATE INFORMATION

Board of Directors	:	**Mr. Sudhir Rao,** Managing Director **Mr. S. Tirumala Prasad,** Director **Mr. A.B. Satyavas Reddy,** Director **Mr. Jimmy R Anklesaria,** Independent Director **Mr. Y. Raghavendra Rao,** Independent Director **Mr. R.V. Panchapakesan,** Independent Director **Mr. M.M. Yesaw,** Independent Director
Management Committee	:	**Mr. Sudhir Rao,** Chairman **Mr. S. Tirumala Prasad,** Member **Mr. R.V. Panchapakesan,** Member
Audit Committee	:	**Mr. R.V. Panchapakesan,** Chairman **Mr. Y. Raghavendra Rao,** Member **Mr. A.B. Satyavas Reddy,** Member
Remuneration/ Compensation Committee	:	**Mr. R. V. Panchapakesan,** Chairman **Mr. Y. Raghavendra Rao,** Member **Mr. A.B. Satyavas Reddy,** Member
Share Transfer Committee	:	**Mr. A.B. Satyavas Reddy,** Chairman **Mr. Sudhir Rao,** Member **Mr. R.V. Panchapakesan,** Member
Company Secretary	:	**Mr. N.S. Senthilnathan**

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

Internal Auditors
M/s. T. Raghavendra & Associates
Chartered Accountants
M/s. BDO Consulting Pvt. Ltd.
Chartered Accountants

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

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

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

Registrars and Share Transfer Agents
M/s. Bighshare Services Private Limited
E – 23, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E) , Mumbai -400072
Tel: 022-2847 0652, Fax : 022-28475207

NOTICE OF 20th ANNUAL GENERAL MEETING

Notice is hereby given that the **20th Annual General Meeting** of the members of the Company will be held on **Thursday, September 29, 2011 at 11 A.M. at the Registered Office** of the Company situated **at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Ranga Reddy Dist. Andhra Pradesh – 501 401** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at March 31, 2011 and the profit and loss account for the year ended on that date and the report of the directors and the auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. Tirumala Prasad who retires by rotation and who being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. Mohammad Yesaw who retires by rotation and who being eligible offers himself for re-appointment.
5. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

   "RESOLVED THAT Mr. Jimmy R Anklesaria, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on February 14, 2011 and holds office till the conclusion of this Annual General meeting pursuant to Section 260 of the Companies Act, 1956 is eligible for appointment and the Company has received a notice in writing pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for the office of Director of the Company, and who has consented to act as the Director, be and is hereby appointed as the Director of the Company, who shall be liable to retire by rotation."

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

   "RESOLVED that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, (the Act), M/s Ram Associates, USA, the retiring Branch Auditors of the USA Branch of the Company, be and are hereby re-appointed as the Branch Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and to examine and audit the books of account of the Branch Office of the Company located at USA for the financial year 2011-12 on such remuneration as may be mutually agreed upon between the Board of Directors and the Branch Auditors, plus reimbursement of service-tax, out-of-pocket, travelling and living expenses, incurred in connection with the audit."

   "RESOLVED FURTHER that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Act, the Board of Directors of the Company be and is hereby authorised to appoint Branch Auditors of any branch office of the Company, which may be opened hereafter in India or abroad, in consultation with the Company's Auditors, any person qualified to act as Branch Auditor within the provisions of the said Section 228 of the Act and to fix their remuneration."

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

   "RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification (s) or re-enactments thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 2000, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and the prevailing Statutory guidelines and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to that conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as Board) and / or a duly authorized Committee (hereinafter referred to as Committee) thereof for the time being exercising the powers conferred by the Board/ Committee, the consent of the Company be and is hereby accorded to the Board/Committee to create, issue, offer or allot either at par or at premium (issue price being not less than the price as arrived at), in accordance with the terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, either in for cash or for consideration other than cash or in satisfaction of a genuine debt, as may be deemed most appropriate by the Board/Committee, equity shares or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") to be subscribed either in rupees/ foreign currency(ies) as the Board/Committee at its sole discretion may at any time or times hereinafter decide which Securities when issued or allotted would ultimately result in an increase in the paid up equity share capital of the Company upto an amount not exceeding **Rs. 4.00 Crores** in addition to the existing paid up equity share capital of **Rs. 34.04 Crores** to the non promoters and / or strategic investors and/or to such other persons by way of private placement/preferential issue as may be permitted under the prevailing laws at such price or prices, or in such manner as the Board/Committee thereof may on its absolute discretion think fit in consultation with the lead managers, underwriters, advisors and such other persons and on such terms and conditions including the number of Securities to be issued, face value, premium, fixing the record date or book closure and related or incidental matters".

"RESOLVED FURTHER THAT in the event of issue of equity shares through preferential allotment, the **relevant date** for this purpose will be **August 30, 2011** as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time".

"RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board/Committee thereof, to such persons and in such manner and on such terms as the Board/ Committee may in its all absolute discretion think most beneficial to the Company including offering or placing them with Banks / Financial Institutions / Investment Institutions / Mutual Funds / Foreign Institutional Investors or such other persons or otherwise as the Board/Committee thereof may in its absolute discretion decide".

"RESOLVED FURTHER THAT the consent of the Company be and is hereby given to the Board/Committee in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/ or charge in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and such terms as the Board/ Committee may determine, all or any of the movable or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the agents and Trustees/ Lenders for securing the Securities (if they comprise fully/ partly secured Convertible Debentures and/ or secured Non Convertible Debentures with or without detachable or Non-Detachable warrant or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest, further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed/ other documents to be finalised and executed between the Company and the agents and Trustees/Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors/Committee thereof and the agents and Trustees/Lenders".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things in respect of appointment of lead managers, registrars, bankers, trustees, agents, lenders, brokers and underwriters and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit".

9. **To consider and if thought fit to pass with or without modification(s) the following resolutions as a special resolution:**

"RESOLVED that, pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) (the "Companies Act"), as also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident outside India) Regulation, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and rules and regulations made thereunder, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and applicable guidelines/regulations prescribed by the Securities and Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other regulatory/statutory authority and clarifications thereon issued from time to time, whether in India or abroad, and enabling provisions in the Memorandum and Articles of Association of the Company and Listing Agreements, entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to the approvals, consents, permissions and/or sanctions of, if applicable including but not limited to, Government of India, RBI, SEBI, Foreign Investment Promotion Board ("FIPB") and/or all other authorities, institutions or bodies, within or outside India, (hereinafter collectively referred to as appropriate authorities) and subject to such terms, alterations, conditions, changes, variations and/or modifications as may be prescribed by any of them while granting such approval (hereinafter referred to as requisite approvals) and as agreed to by the Board of Directors ("Board", which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranch(es), in the course of domestic or international offerings or qualified institutional placements, with or without an over allotment/green shoe option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of Chapter VIII of the SEBI Regulations and/or a preferential issue and/or any other kind of public issue and/or private placement, equity shares, preference shares, secured or unsecured debentures, bonds, warrants or any other securities whether convertible into equity shares or not, including, but not limited to, Compulsorily Convertible Preference Shares ("CCPS") and/or Optionally Convertible Preference Shares ("OCPS") and/or Partially Convertible Preference Shares ("PCPS") and/or Non Convertible

Preference Shares ("NCPS") and/or Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or Foreign Currency Convertible Bonds ("FCCBs") and/or with or without attached share warrants and/or Partly Convertible Debentures ("PCDs") and/or Optionally Convertible Debentures ("OCDs") and/or Non Convertible Debentures ("NCDs") and/or Fully Convertible Debentures ("FCDs") and/or bonds with share warrants attached which are convertible into or exchangeable with equity shares and/or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not as may be permitted by law (hereinafter referred to as "securities"), whether secured or unsecured, to be listed on any stock exchange inside India or any foreign/international stock exchange outside India if required, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated or denominated in foreign currency, provided that the aggregate of the sums so raised, including premium, if any, shall not exceed **Rs. 100 Millions (Rupees One Hundred Millions only),** as the Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/ conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors."

"RESOLVED FURTHER that the securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the underlying equity shares shall rank pari passu in all respects with the existing equity shares of the Company including payment of dividend, if any, declared including other corporate benefits, if any, for the financial year in which the issue/offer/allotment has been made and subsequent years and shall have the same voting rights as the existing equity shares."

"RESOLVED FURTHER that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue."

"RESOLVED FURTHER that the Board be and is hereby authorised on behalf of the Company to finalise the pricing, terms and conditions relating to the issue of the securities and any other matter in connection with, or incidental to, the issue of the securities as the Board, in its absolute discretion, deems necessary or desirable, together with any amendments or modifications thereto."

"RESOLVED FURTHER that the pricing of the securities and the pricing of any equity shares issued upon conversion of the securities shall be made subject to and in compliance with all applicable laws, guidelines, notifications, rules and SEBI regulations."

"RESOLVED FURTHER that the Board be and is hereby authorised to appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/ conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, in connection with the proposed issue/offering/ allotment of the securities and to negotiate and finalise the terms and conditions (including the payment of fees, commission, brokerage, out of pocket expenses and their charges subject to requisite approvals of the RBI, if any) of the aforesaid appointments and also to, in its absolute discretion, renew or terminate the appointments so made and to enter into and execute all such agreements, arrangements, memorandums, documents etc. with such persons and to seek listing of such securities."

"RESOLVED FURTHER that the Board be and is hereby authorised to determine the form, terms and timing of the issue(s)/offering(s)/ allotment(s), including the investors to whom the securities are to be allotted, the proportion in which they are allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion or variation of the price or period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters and finalise and approve the preliminary as well as the final offer documents for the proposed issue of the securities as may be required by the authorities in such issues in India and/or abroad and to authorise any Director or Directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents or any other confirmation and/or authorities as may, in the opinion of such authorised person, be required from time to time."

"RESOLVED FURTHER that the Company do apply for listing of any new securities issued with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited or any other stock exchange(s)."

"RESOLVED FURTHER that such of these securities as are not subscribed may be disposed off by the Board, in its absolute discretion in such manner, as the Board may deem fit and as permissible by law."

"RESOLVED FURTHER that in case of a qualified institutional placement pursuant to Chapter VIII of the SEBI Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI Regulations shall only be to qualified institutional buyers within the meaning of Chapter VIII of the SEBI Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by SEBI Regulations from time to time and the Company shall apply to the National Securities Depository Limited and/ or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI Regulations."

"RESOLVED FURTHER that in case of a qualified institutional placement of equity shares pursuant to Chapter VIII of the SEBI Regulations, the relevant date for the determination of the price of the equity shares, shall be the date of the meeting of the Board in which the decision to open the proposed issue is taken or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations."

"RESOLVED FURTHER that in the event securities convertible into equity shares are issued under Chapter VIII of the SEBI Regulations, the relevant date for the purpose of pricing of the equity shares to be issued on conversion, shall be the date of the meeting of the Board in which the decision to open the proposed issue is taken or the date on which the holder(s) of securities which are convertible into or exchangeable with equity shares at a later date become(s) entitled to apply for the said shares or such other time as may be allowed by SEBI Regulations from time to time and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations."

"RESOLVED FURTHER that subject to the applicable laws the Board be and is hereby authorised to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the securities, and to give effect to aforesaid resolution, including, without limitation, the following:

(a) finalisation of the allotment of the securities on the basis of the subscriptions received;

(b) finalisation of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/ offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;

(c) appointing Lead Managers, Underwriters, Guarantors, Depositories, Registrars, Solicitors, Counsels, Custodians, Escrow Banks, Trustees, Bankers, Advisors and all such agencies and intermediaries, whether in India or abroad, as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like as it deems fit;

(d) approval of the preliminary and final offering circulars/ prospectus/offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the Lead Managers/ Underwriters/ Advisors, in accordance with all applicable laws, rules, regulations and guidelines;

(e) approval of the Deposit Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), GDRs/ADRs/FCCBs and other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(f) finalisation of the basis of allotment in the event of oversubscription;

(g) acceptance and appropriation of the proceeds of the issue of the securities;

(h) authorisation of the maintenance of a register of holders of the securities, if so required, in India or abroad;

(i) authorisation of any Director or Directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the securities;

(j) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the securities;

(k) seeking the listing of the securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(l) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(m) deciding the pricing and terms of the securities, and all other related matters, including taking any action on conversion of securities, as per applicable laws, regulations or guidelines; and

(n) creation of mortgage and / or charge in accordance with Section 293 (1) (a) of the Companies Act, 1956 in respect of securities as may be required either on pari passu basis or otherwise."

(o) opening one or more bank accounts in the name of Company, including escrow account, special purpose accounts etc., in

Indian currency or foreign currency(ies) which such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any;

(p) making such applications to the relevant authorities and make the necessary regulatory filings in connection with the issue;

(q) affixing the Common Seal of the Company on any agreement(s)/documents as may be required to be executed in connection with the above, in terms of Articles of Association of the Company;

"RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature."

"RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets."

"RESOLVED FURTHER that for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the securities."

"RESOLVED FURTHER that the Board be and is hereby authorised to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as appropriate authorities, inside or outside India, may impose at the time of their approval and as agreed to by the Board thereof."

BY ORDER OF THE BOARD

For BARTRONICS INDIA LIMITED

Place: Hyderabad — **Sudhir Rao**
Date: August 25, 2011 — **Managing Director**

Notes:

1. An explanatory statement to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.

   Proxies in order to be effective must be received at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. Corporate members are requested to send a duly certified copy of the board resolution, pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote at the Annual General Meeting.
4. Members/proxies should bring their duly filled attendance slips sent herewith for attending the Annual General Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification and attendance at the meeting.
6. The Register of Members and Share Transfer books of the Company will remain closed during the period from September 23, 2011 to September 29, 2011 (both days inclusive).
7. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable on or after October 4, 2011 to the members whose

names appear on the register of members as on September 23, 2011.

8. a) Members holding shares in electronic form may please note that their bank account details as furnished by the respective depositories to the Company will be printed on the dividend warrant as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for deletion of or change in bank account details. Members may therefore give instructions regarding bank account details to their depository participant.

   b) In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, M/s Big Share and Services Private Limited under the signature of the Sole/First holder, the following information to be incorporated on dividend warrants:

   i) Name of the sole/first joint holder and folio number

   ii) Particulars of Bank Accountant, viz;
   Name of the Bank
   Name of the Branch
   Complete address of the Bank with Pin Code number
   Account type, whether, Saving Account (SA) or Current Account (CA), Account Number.

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

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

11. The Ministry of Corporate Affairs (MCA) has taken an initiative in respect of 'Green Initiative in the Corporate Governance' by allowing the Companies to send the notices/documents including annual reports to the members through electronic mode by giving an advance opportunity to the members for registering their e-mail addresses with the Company/ Depository from time to time for receiving the same. In this connection, the members are requested to register their e-mail addresses by sending an e-mail with the following details to 'shareholders@bartronicsindia.com' or by visiting our website 'bartronicsindia.com'

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

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

Item No. 6

Mr. Jimmy R Anklesaria was co-opted as an Additional Director of the Company w.e.f February 14, 2011 pursuant to Section 260 of the Companies Act, 1956 read with the Articles 63 of Association of the Company. Mr. Jimmy R Anklesaria holds office of Director upto the date of ensuing date of Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Jimmy R Anklesaria for the officer of Director under the provisions of Section 257 of the Companies Act, 1956.

The Board recommends the resolution set forth in item no. 6 for approval of the members.

Item No. 7

The Company had set up a Branch Office at USA in the month of January 2009. M/s Ram Associates, USA, were appointed the Branch Auditors for the financial year 2010-11. It is proposed to re-appoint M/s. Ram Associates, USA, as Branch Auditors for the USA Office for the financial year 2011-12.

The Shareholders' approval, is therefore, sought for the re-appointment of M/s Ram Associates, USA, as Branch Auditors of the Company's Branch Office in USA for the financial year 2011-12 and to authorise the Board of Directors to determine the remuneration payable in consultation with them.

In respect of the other branches of the Company, if any, which may be opened during the year, in India or abroad, the Shareholders are requested to authorise the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and to fix their remuneration.

The Board commends the Resolution at Item No. 7 for approval by the Members.

Item No. 8

To part finance the capital expenditure in respect of expansion programme, general corporate expenditure and also to part finance the working capital requirements, it is proposed to create, issue, offer, allot equity shares, as may be decided by the Board/Management Committee, to the non - promoter group through preferential issue. Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise in a general meeting/ postal ballot. The listing agreement with the stock exchanges also provide, inter alia, that the Company in first instance should offer all the shares and debentures to be further issued for subscription pro rata to the equity shareholders unless the shareholders decide otherwise.

Fresh issue of equity shares is proposed as set out in the special resolution in this Notice.

The consent of the shareholders is therefore being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations 2009) and the listing agreements entered into with the Stock Exchanges, authorizing the Board/Management Committee to raise additional capital by further issue of equity shares in such manner or on such terms as the Board/Management Committee may deem fit in the manner proposed in the Resolution.

The proposed preferential issue is in accordance with the 'Regulations of Preferential Issues' contained in Chapter VII of the SEBI (ICDR) Regulations 2009 as amended from time to time.

Disclosure under Regulation 73(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, regarding proposed issue and allotment of equity shares as preferential allotment:

(a) The objects of the preferential issue.

The proceeds of issue and allotment of equity shares and as preferential allotment is proposed to be utilized for part financing the capital expenditure in respect of expansion programme, for part financing the working capital requirements of the Company and general corporate purposes.

(b) The proposal of the non-promoters subscribe to the offer.

Landford (Asia) Limited, a Company incorporated in British Virgin Islands is intending to subscribe to the offer.

(c) The shareholding pattern of the issuer before and after the preferential issue of equity shares:

Sl. No.	Category	Pre-preferential holding (as on 24.08.2011)		Equity Shares to be allotted upto a maximum of	Post-preferential issue shareholding after proposed allotment of equity shares (Please see Note)	
		No. of Shares	% of holding		No. of Shares	% of holding
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
A.	**Promoters Shareholding**					
	a. Indian	9329418	27.40	--	9329418	24.52
	b. Foreign	--	--	--	--	--
	Sub-Total (A)	9329418	27.40	--	9329418	24.52
B.	**Public Shareholding**					
	1. NRIs/FIIs/OCBs	251910	0.74	4000000	4251910	11.17
	2. Govt./Banks/Mutual Funds	422677	1.24	--	422677	1.11
	3. General Public Shareholding					
	a. Bodies Corporate	4809202	14.12	--	4809202	12.64
	b. Individuals	19235654	56.50	--	19235654	50.56
	Sub-Total (B)	24719443	72.60	4000000	28719443	75.48
	GRANDTOTAL	**34048861**	**100.00**	**4000000**	**38048861**	**100.00**

Note:

1. The pre and post issue shareholding has been calculated, based on the shareholding of the Company as on 24.08.2011.

(d) The time within which the preferential issue shall be completed.

The allotment of the equity shares will be completed within a period of 15 days from September 29, 2011, being date on which members sanction is obtained for preferential allotment, as per Section 81(1A) of the Companies Act, 1956 or within 15 days from the date of approval for such allotment by any Regulatory Authority or the Central Government, whichever is later.

The certificate from the Auditors stating that the issue is being made in accordance with the requirements of SEBI (ICDR) Regulations 2009 including fixation of issue price as per the SEBI (ICDR) Regulations 2009, will be placed at the meeting for the verification of members.

(e) The identity of the proposed allottee, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue.

M/s. Landford (Asia) Limited, a British Virgin Islands Company doesn't hold any equity in the Company as on date.

M/s. Landford (Asia) Limited is interested to subscribe to the issue upto a maximum of 40,00,000 equity shares.

Sl. No.	Name of the proposed allottees under Non-Promoter category	Pre-preferential shareholding (as on 24.08.2011)		Equity Shares proposed to be allotted upto a maximum of	Post-preferential issue shareholding after proposed allotment of equity shares and before conversion of proposed to be allotted	
		No. of Shares	% of holding		No. of Shares	% of holding
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1	M/s. Landford (Asia) Limited	--	--	4000000	4000000	10.51

There will neither be any change in the composition of the Board nor be any change in the control of the Company on account of the proposed preferential issue. However, there will be corresponding change in the shareholding pattern as well as voting rights consequent to preferential issue.

(f) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

It is not required to re-compute the price, as the closing prices of equity shares of the Company are available for calculating the price as per Regulation 76(1) SEBI (ICDR) Regulations 2009.

(g) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

Not applicable, as the price will be calculated as per Regulation 76(1) SEBI (ICDR) Regulations 2009.

Your Directors recommend the resolution for your approval.

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

Item No. 9

To part finance the capital expenditure in respect of expansion programme, general corporate expenditure and also to part finance the working capital requirements, it is proposed to issue either equity shares, preference shares, debentures, bonds, warrants or other securities, including, but not limited to, Compulsorily Convertible Preference Shares ("CCPS"), Optionally Convertible Preference Shares ("OCPS") and/or Partially Convertible Preference Shares ("PCPS"), Non Convertible Preference Shares ("NCPS") and/or Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs"), Non Convertible Debentures ("NCDs") with or without attached share warrants and / or Partially Convertible Debentures ("PCDs") and / or Optionally Convertible Debentures ("OCDs") and / or Fully Convertible Debentures ("FCDs") and/or bonds with attached share warrants, including but not limited to a combination of the foregoing in one or more tranches to the eligible investors including but not limited to qualified institutional buyers under the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 ("SEBI Regulations"), such that the aggregate of the sums so raised by issuing equity shares, debentures, bonds and other securities, including premium, if any, shall not exceed Indian Rs.100 Millions (Rupees One Hundred Millions only) as the Board may determine in accordance with the SEBI Regulations and where necessary in consultation with the lead managers, underwriters, merchant bankers, guarantors, financial and/or legal advisors, rating agencies/advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees, printers, auditors, stabilizing agents and all other agencies/advisors.

To the extent that any part of the above mentioned capital raising plan includes issue of equity shares or securities linked to or convertible into equity shares of the Company, members' approval is being sought. As per provisions of Section 81(1A) of the Companies Act, 1956, the Board of Directors of the Company can issue and allot shares to any person other than existing members, provided that the members approve the same by way of a special resolution. The Listing Agreements executed by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the existing Shareholders unless the Shareholders in General Meeting decide otherwise. The equity shares, if any, allotted on issue, conversion of securities or exercise of warrants shall rank in all respects pari passu with the existing equity shares of the Company.

Pursuant to the above, the Board may, in one or more tranches, issue or allot equity shares and any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than such time period as permitted under applicable Rules/Regulations/Schemes/Acts/Guidelines/Agreements of all the Regulatory Authorities, as amended from time to time through public issues(s), right issues(s), private placements or any combination thereof.

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

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

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

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

The end usage of the proceeds of the above issue of equity and / or such other convertible securities shall be in accordance with the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time, Foreign Currency Exchangeable Bonds Scheme, 2008 as amended from time to time and ECB Guidelines and as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and as per the FDI Policy issued by the Department of Industrial Policy & Promotion as amended from time to time and any other regulatory authorities as amended from time to time.

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

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

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

BY ORDER OF THE BOARD

For BARTRONICS INDIA LIMITED

Sudhir Rao
Managing Director

Place: Hyderabad
Date: August 25, 2011

Additional Information:

Details of Directors seeking appointment/re-appointment at the 20th Annual General Meeting (pursuant to clause 49 of the listing agreement)

1. ***Mr. S. Tirumala Prasad***

   Mr. S. Tirumala Prasad aged about 51 years has been associated with the Company since September 2, 2008. Mr. Prasad has about 29 years of experience in diverse fields in India & abroad.

   He holds an engineering degree from Regional Engineering College, Warangal and is an MS from Wayne State University, USA. He was associated with Tata Unisys Limited for a period of three years and later worked as a Management & Computer Systems Consultant in the USA.

2. ***Mr. M. Mohammad Yesaw***

   Mr. M. Mohammad Yesaw aged about 65 years has been associated with the Company since September 28, 2008.

   Mr. Yesaw has rich experience in the banking domain. He started his career with Industrial Development Bank of India in the year 1972 and retired as a General Manager of the Bank. During his employment with the Bank he was part of select pool of officers from which the financial institution appoints its nominees on the Board of various assisted companies. He worked as a nominee director of IDBI bank in various companies including listed companies.

   Mr. Yesaw doesn't hold directorship in any other Company.

3. ***Mr. Jimmy R Anklesaria***

   Mr. Jimmy R Anklesaria aged about 57 years has been associated with the Company since February 14, 2011.

   Mr. Anklesaria is a Commerce graduate and holds a MBA degree. He worked in TATA group for fourteen years, having handled successfully various assignments in Sales, Marketing and finally went on to head one of their Division's in Consumer goods as Divisional Manager.

   Mr. Anklesaria then worked with J.L. Morison (India) Ltd., for ten years over two stints, starting as Vice President Marketing and Sales, and went on to become Managing Director of the Company for three years, till he joined Godrej.

   Presently Mr. Anklesaria is working with Godrej Consumer Products Ltd., as Executive Vice President – International Operations.

DIRECTORS' REPORT

To The Members,

Your Directors have the pleasure in presenting the 20th Annual Report together with the Audited Accounts for the Financial Year ended on March 31, 2011 comprising of twelve (12) months from 01.04.2010 to 31.03.2011.

STAND ALONE FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	Year 2010-11	Year 2009-10
Total Income	**60617.69**	58756.09
Total Expenditure	**44178.78**	38798.17
Operating Profit (EBITDA)	**16438.91**	19957.91
Interest	**6016.18**	4375.40
Depreciation	**5236.62**	4775.96
Profit Before Tax	**5186.11**	10806.55
Provision for Tax	**989.06**	1867.90
Deferred Tax	**(605.97)**	2434.60
MAT Credit Entitlement of earlier years	**(1777.52)**	—
Profit after Tax	**6580.54**	6504.06
Add: Profit B/F from previous year	**15781.60**	9674.59
Profit available for appropriation	**22362.14**	16178.65
Appropriation as under:		
Transfer to General Reserve	**—**	—
Proposed Dividend	**340.49**	340.49
Tax on Dividend	**56.55**	56.56
Balance C/F to next year	**21965.10**	15781.60

CAPITAL STRUCTURE

Foreign Currency Convertible Bonds

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

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

Conversion Period	Conversion Price per Equity Shares (Rs)
FCCB 2013 (January 09, 2008 and January 23, 2013)	191.25
Number of shares converted till March 31, 2011 out of FCCB 2013 issue	Outstanding FCCBs as on March 31, 2011 (In Millions US$)
Nil	50

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

CHANGES TO SHARE CAPITAL

At present the Authorized Share Capital of the Company stands at Rs. 110 Crores and there has been no change in the share capital during the year ended March 31, 2011.

DIVIDEND

Your Directors recommend a dividend of Rs. 1/- per equity shares on fully paid equity shares of Rs. 10 each, for the year ended March 31, 2011. This will absorb Rs. 397.04 Lakhs (inclusive of tax) based on existing capital.

SUBSIDIARY COMPANIES

Your Company has four subsidiary companies viz., Bartronics America Inc., Bartronics Asia Pte. Limited, ROI Public Relations Private Limited and Bartronics Middle East FZE and three step down subsidiary companies viz., Quality-E- People, Inc., Performica Software Private Limited and Bartronics Hong Kong Limited.

Bartronics America Inc.

The Company was incorporated as a wholly owned subsidiary of Bartronics India Limited on 16th November 2007 in the State of Dalware in USA with a Share Capital of US$ 1500. In April 2008 Bartronics America Inc. acquired the shares of SRG America Inc. which in turn has two subsidiaries namely Quality- E- People and Performica Software Private Limited. SRG America Inc merged with Bartronics America Inc during the month of April 2010.

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 $ 769500. On 21st December 2007 the Bartronics Asia Pte. Limited (BAPL) acquired the only issued share of Cason Limited; subsequently name of the Company was change to Bartronics Hong Kong Limited with effect from 15th October 2008. BAI became the subsidiary of BAPL w.e.f. April 1, 2011. On April 12, 2011 BAPL acquired the only share of Veneta Holdings Limited, Mauritius making it its wholly owned subsidiary.

ROI Public Relations Private Limited

ROI Public Relations Private Limited was incorporated on 4th December 2008. Bartronics India Limited is a promoter and subscriber to its Memorandum holding 62.50% shares (in the total paid up Capital of Rs. 5 Lakhs) in the Company. Advance of Rs. 6.50 lakhs has been written of during the year.

Bartronics Middle East Fze

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

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

Your Company has availed the general exemption from attaching a copy of the Balance Sheet, Profit & Loss Account, Director's Report and Auditor's Report of the Subsidiaries Companies and other documents required to be attached under Section 212(1) of the Companies Act, 1956 to the Balance Sheet of your Company. The said exemption is granted vide circular issued by MCA dated February 8, 2011.

Accordingly, the said documents of the subsidiaries are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiaries is contained in the report. The Annual Accounts of the subsidiaries are open for inspection by any member at the Company's Corporate Office and the Company will make available these documents and the related detailed information upon request by any investor of the Company or any investor of the Subsidiary Company who may be interested in obtaining the same.

CONSOLIDATED ACCOUNTS

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

COMPANY OVERVIEW

Presently your Company offers the following business activities:

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

HUMAN RESOURCE MANAGEMENT

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

RISK MANAGEMENT

An effective risk management framework drives continued economic sustainability as it aligns operations & activities of the organization to its vision & values. Your Company has a strong risk management framework that enables active monitoring of the business environment and identification, assessment and mitigation of potential internal or external risks. Your Company promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator. Further, a perpetual internal audit activity carried out by M/s T. Raghavendra & Associates, Chartered Accountants, as internal auditors also provides us with their independent assessment on our risk mitigating measures along with recommendations for improvement. The Company has appointed M/s. BDO Consulting Private Limited as additional internal auditors to further strengthen the internal controls of the Company.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. S. Tirumala Prasad and Mr. M. Mohammad Yesaw are liable to retire by rotation and being eligible, offer themselves for reappointment.

Mr. Jimmy R Anklesaia has been appointed as additional director w.e.f 14.02.2011 and holds office upto the date of ensuing Annual General Meeting. Notice has been received under Section 257 of the Companies Act, 1956 proposing the names of Mr. Jimmy R Anklesaria for appointment as Director liable to retire by rotation.

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

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

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Director's Report. In terms of the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Director's Report is being sent excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

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

STATUTORY AUDITORS

The Company's Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Hyderabad will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

A separate Section on Corporate Governance is attached to this Report as Annexure - C.

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

The Board has laid down a code of conduct for all Board and Senior Managerial Personnel's of the Company. The code of conduct has been posted on the Company's website. Board Members and Senior Managerial Personnel's have affirmed compliance with the code for the financial year 2010-11.

A certificate from the Managing Director that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2011 is attached as Annexure - E.

CEO/CFO Certificate is enclosed as Annexure - F.

DIRECTORS RESPONSIBILITY STATEMENT:

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

a. in the preparation of Annual Accounts, the applicable accounting standards have been made form the same.

b. they have selected such accounting policies and applied them consistently and reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

c. they have taken proper and sufficient care for the maintenance of adequate accounting Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. they have prepared the annual accounts on a going concern basis.

PROMOTER GROUP COMPANIES

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

LISTING OF COMPANY'S SECURITIES

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

DEMATERIALIZATION OF SHARES

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

FIXED DEPOSITS

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

EXPLANATION TO MATTERS ON WHICH ATTENTION WAS DRAWN IN THE AUDITORS' REPORT

The Statutory Auditors of the Company M/s. Deloitte, Haskins & Sells have the following comments in their report for the year 2010-11.

1. **Auditors Comments:**

   Paragraph 4 (a) of the Audit Report, ***"Note 9 of Schedule 20 forming part of the financial statements regarding Sundry Debtors balance aggregating to Rs.36,577.76 Lakhs and in respect of which no provision has been made for reasons stated therein. We are unable to form an opinion on the extent to which the debts may prove irrecoverable."***

   Company explanation:

   As stated in Note 9 of Schedule 20 forming part of the financial statements, on account of the economic slowdown and consequent recessionary conditions in the global market there have been delays in realization of debtors. These sundry debtors confirmed the year end balances and Company has realized some of the dues subsequently. The Company has long standing relationship with these customers and they are helping the Company in promoting new products. Management is confident of realizing the amounts due and no provisions are required on these accounts at this stage.

2. **Auditors Comments:**

   Paragraph 4 (b) of the Audit report, ***"Note 11 of Schedule 20 regarding slow moving software inventory aggregating to Rs.314.13 Lakhs. We are unable to form an opinion on the appropriateness of the carrying cost of such items of inventory".***

   Company explanation:

   As stated in Note 11 of Schedule 20 forming part of the financial statements, these goods are customer specific and due to recession and economic slowdown there is a delay in realizing a sale value. Company got the firm order from the customers recently and in the process of executing the sale in the near future, hence no provision has been made on this account.

ACKNOWLEDGMENT:

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

By Order of the Board

For Bartronics India Limited

Sudhir Rao	**A.B. Satyavas Reddy**
Managing Director	**Director**

Place: Hyderabad
Date: August 25, 2011

Management Discussion and Analysis

Industry structure and developments

Bartronics is present in the Automatic Identification and Data Capture (AIDC) industry, which offers the following points of optimism: it is used in micro processor-based technologies for the identification of objects, people, locations or the capture of target images or data. The technology is finding increasing use because it is relatively error-free with immediate throughput.

Over the last decade, the technology was increasingly accepted on account of its application in tracking and tracing targets, itemization, sorting, data processing, security, access control and inventory management. AIDC media comprises micro-processor (chip)-embedded Smart Cards, Bar Coding, Radio Frequency based Identification, bio-metric Point of Transaction systems, Global Positioning Systems, Geographic Identification and remote sensing systems. AIDC solutions can also layer over enterprise software backbones to support ERP, HR and SCM functions. AIDC technologies are generally applied in the manufacturing, retail, transportation and e-governance sectors.

India's AIDC equipment hardware and solution software sectors are fragmented. The hardware is almost entirely imported (only some quantum is partly assembled in India). The country's hardware sector is largely un-organized. The major part of the industry's volume and value-addition is offered by software majors that offer solutions development, applications and maintenance services.

Your Company is attractively placed to capitalize on the significant industry potential for the following reasons:

- It progressively evolved as a specialist AIDC entity focusing on product development, solutions standardization and commercialization.
- It manufactures and personalizes smart cards on the one hand and possesses software development capability coupled with services support and project execution on the other.
- It expects to acquire hardware production and assembly capability, beginning with the manufacture of GPS devices and RFID hard-cased tags.
- It is ISO-certified and also holds SCOSTA, TSEC and Arsenal certifications for Smart Card and RFID applications.
- It has won 14 process patents.

Based on market estimations obtained at the AIDC Show held in New Delhi in December 2010, the Bar Code segment's annual growth is estimated at 30-35%, the biometric segment (including Smart Cards) at 70% and RFID at 30%, indicating traction higher than the national economic average.

Company's growth

Bartronics was incorporated in 1990 and listed in 2006. From a niche bar code hardware and services provider with a modest turnover of Rs. 2900 Lakhs in FY 2005-06, your Company has emerged as the only Indian player present in all identification automation technologies (Smart Cards, Biometrics, RFID, GPS products and solutions) with net sales of Rs 89,800 Lakhs and post-tax profit of Rs. 11,000 Lakhs in Financial Year 2010-11.

Smart Cards: Smart Card technologies account for a growing part of AIDC technologies. These technologies are largely applied in the telecom segment with a tele-density of over 65%. Smart Card bio-metric solutions are increasingly used in government applications for establishing the authenticity of beneficiaries in ration card and other official applications (RSBY, NREGA, welfare schemes, vehicle registrations, driving licenses and land ownership records). This segment is expected to grow attractively following the UIDAI's decision to issue these cards to all enrolled Indian citizens. Your Company is attractively placed to capitalize: it possesses a captive card production facility (80 millions units per annum) coupled with smart card software development applications. Your Company proposes to enter into the Bank Cards segment during the current year following certifications from Mastercard and VISA.

Financial inclusion: Under the directives of the RBI, all major commercial banks embarked upon financial inclusion projects comprising the extension of banking facilities under the business correspondent model. This involves the issue of biometric smart cards to account holders for availing banking services delivered through PoS machines deployed on field. Your Company is uniquely placed in this domain: it is an end-to end solutions provider, covering over 60,000 villages and has emerged as a major financial inclusion player in only 18 months with contracts from 30 banks (SBI associate banks, nationalized banks, new generation banks, private sector banks and Gramin banks). Two developments can catalyse growth: RBI mandating that the sector expand coverage and the proposed liberalization of guidelines for the engagement of Business Correspondents.

Competitive bidding

Your Company increased its presence in tendered markets in the anticipation of securing high value contracts, absence of payment risks and transparency in price discovery. Between January 2009 and March 2011, your Company bid for over 200 tenders floated by government and semi-government organizations, PSUs and banks, scoring significant wins on account of technical competence and competitive pricing.

Expanding AIDC product and solution sales

Your Company is respected for its leadership in Time and Attendance and Access Control solutions across a large number of manufacturing companies. The industry climate is improving for the following reasons: growing AIDC investments by end users on account of concerns over security, personnel and process safety as well as real-time inventory tracking benefits.

Your Company entered into project-specific alliances with a number of OEMs, supplementing preferred partner relationships with extant vendors. This has helped widen product choice and counter cheap hardware imports.

Your Company also embarked on the development of combo-solutions, combining RFID and Barcode, RFID and GPS, Biometrics with RFID and contact cum contactless smart cards. This will optimise technology and costs. As new research-led Identification Automation technologies evolve, your Company plans to set up a US-based Centre of Excellence to strengthen solutions development and commercialization.

The export of value-added and self-developed software constitutes a large part of your Company's earnings. However, your Company plans to allocate growing resources (financial and people) for domestic applications to respond to larger volumes being derived from within India and export margins gradually declining.

Overseas operations

During the last two financial years, your Company acquired two US companies engaged in providing technical resources for AIDC-related businesses, building HR capabilities vital for sustaining growth. The Company's Singapore subsidiary posted a significant rise in turnover in 2010-11, mainly from local government-funded health care projects. Your Company also established an office in Sharjah in 2010-11 to capitalize on Middle East demand, which contributed to revenues.

Human capital

Your Company strengthened its human resources through the induction of experienced and qualified Business Heads. A dedicated Business Division was commissioned to address the financial inclusion opportunity. The Sales & Marketing, Project Management and Bidding teams were synergized for an inter-complementary process flow. Your Company acknowledges the contribution of its employees, line managers and apex management for its outstanding performance.

Strengths and opportunities

Your Company's multi-faceted strategy covers all relevant technology segments (Smart Cards, RFID, Bio-metric PoS and GPS-GPRS), leading to visibility and competitive positioning. This was reflected in a pricing advantage derived from its captive manufacturing factory for Smart Cards (catering to the growing needs of the telecom, financial inclusion and e-governance projects), Bank Cards and RFID tags.

Over the years, your Company strengthened alliances with leading biometric and bar code equipment OEMs (Synel and Intermec). To diversify the product range and counter cheap imports, your Company entered into project-based alliances with OEMs (Lumdigm, Datalogic, Sato, Crossmatch and Bio Securities).

The result is that your Company has established market leadership in the area of financial inclusion solutions and services with prospects of larger and longer contracts. Your Company also demonstrated capabilities in various projects (MGNREGA, RSBY, DLRC, PDS applications and UID enrollments) that are likely to be tendered in larger volumes in 2011-12. Your Company intends to extend into the lucrative Bank Cards segment following EMV certification (expected in 2011-12).

The Company reinforced its international presence through its offices in Singapore, USA and Middle East.

The Company expects to selectively productize solutions developed for projects won under the bidding process. Besides, a combination of RFID with GPS and GPRS technologies has already translated into cost-effective solutions; your Company is developing new RFID-combo solutions for toll management and live tracking-in-transit segments, which could graduate its technology ranking.

Risks and concerns

Technology obsolescence: AIDC products and solutions can potentially be affected by technology obsolescence. In the last few years, rapid changes in micro processor-based technologies have prompted hardware improvements. Since prices of standard solutions and hardware have progressively declined, the Company needs to update offerings to remain competitive.

New capacity creation: There are eight established manufacturers of Smart Cards (including BIL). With large avenues opening up in the areas of financial inclusion, e-governance, Payment Systems and UIDAI, increased Smart Card capacity can be expected resulting in probable price-based competition.

Lack of local hardware production: The Indian AIDC industry is largely dependant on imported hardware, affected by price changes, currency fluctuations, technology adaptation and delivery delays. The Company needs to increase suppliers and enter into long-term price contracts to counter contingencies.

Global competition: Several foreign manufacturers and technology providers can enter India and potentially eat into market share. The Company may need to consider a business tie-up with or equity investments in global majors to secure its domestic standing.

Risk mitigation: Your Company responded with suitable mitigation measures, which covered significant investments in captive technology access, commissioning a Centre of Excellence (in addition to one proposed in USA). Your Company's Smart Card production facility is equipped to produce cards for all major verticals. It is diversified across products, technologies and markets (including prominent). Its competent management team is broad-based with strong technical, financial and administrative capabilities.

Discussion on financial performance

Your Company reported a 3.17 % growth in revenues to Rs. 60617.69 Lakhs in 2010-11 as against Rs. 58756.09 Lakhs in 2009-10. Net profit before was 6580.54 Lakhs in 2010-11 as against Rs. 6504.06 Lakhs in 2009-10.

Particulars	**2010-11**	**2009-10**
Net sales	59705.01	58010.62
Other income	912.68	745.47
Total income	60617.69	58756.09
Total expenditure	44178.78	38798.17
EBIDTA	16438.91	19957.91
Interest	6016.18	4375.40
PBDT	10422.73	15582.51
Depreciation & amortization	5236.62	4775.96
PBT	5186.11	10806.55
Provision for taxation	383.09	4302.49
MAT credit entitlement of earlier years	(1777.52)	-
PAT	6580.54	6504.06

Segmentwise product wise performance

The activities of the Company relate to only one segment - providing Automatic Identification & Data Capture (AIDC) solutions. Information relating to the secondary segment is given in Note No. 16 of Schedule 20(Notes to Account) in the Audited Financial Statement.

Outlook

In financial year 2010-11, your Company reported a turnover of Rs. 60617.69 Lakhs with a basic and diluted earnings per share of Rs. 19.33 and Rs. 12.49 respectively. Due to high investments during the past couple of years, the management believes that it is necessary to consolidate and re-align in 2011-12 before embarking on the next round of aggressive growth.

Internal control systems

Your Company has a formal Internal Audit Process whereby deficiencies in the Internal Control Systems are analyzed and plugged. Quarterly internal audit reports are presented to the Internal Audit Committee of the Board of Directors and discussed with action plans. As a result, improvements were identified and implemented. Your Company took data-based decisions following in-depth studies by the Internal Audit Teams.

Material developments in Human Resources/Industrial Relations front

Your Company invested in employee training and skill development to enhance operational efficiencies, customer focus and people retention. The Company's core team of resources continued to reinforce the Company's technology leadership.

Annexure - A

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

Rupees in Lakhs

Sl. No.	Name of the subsidiary Company	Financial year of the subsidiary Company ended on	Date on which they became subsidiary Company	Number of shares held at the end of the financial year of the Subsidiary Company	Extent of interest of holding Company at the end of the financial year of the subsidiary Company	The net aggregate amount of the subsidiary companies' Profit / (Loss), so far as it concerns the members of the holding Company	
						i) Dealt with holding Company's accounts	ii) Not dealt with in the holdings Company's accounts
						(a) For the financial year ended March 31, 2011 (b) For previous financial years of the subsidiary Company since it became holding Company's subsidiary	(a) For the financial year ended March 31, 2011 (b) For previous financial years of the subsidiary Company since it became holding Company's subsidiary
1	Bartronics America Inc	31.12.2010	16.11.2007	1,500	100%	260.35	-
2	Bartronics Singapore Pte Ltd	31.03.2011	14.07.2007	769,500	100%	500.28	-
3	Bartronics Middle East FZE	31.03.2011	22.06.2010	1	100%	3657.45	-

Statement pursuant general exemption availed under Section 212(8) of the Companies Act, 1956 relating to Subsidiary companies (as per MCA Circular dt.08.02.2011)

Rupees in Lakhs

Sl. No.	Name of the Company	Capital	Share Application Money	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Tax	Profit/ (Loss) After Taxation	Proposed Dividend
1	Bartronics America Inc	0.60	68.01	(1,492.51)	26,672.47	28,096.36	-	13,790.86	665.42	405.07	260.35	-
2	Bartronics Singapore Pte Ltd	204.38	-	3,948.72	18,279.29	14,126.19	-	12,858.21	501.45	1.17	500.28	-
3	Bartronics Middle East FZE	18.96	-	3,657.45	9,253.79	5,577.38	-	15,245.69	3,657.45	-	3,657.45	-

Annexure - B

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

A. Conservation of Energy

a) Energy Conservation:

Lighting transformer has been provided at the factory.

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

c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on cost of production: Reduction in power consumption by 20%.

Form A

A. Particulars with respect to conservation of energy

1. Electricity and diesel purchased for manufacture

	2010-11	**2009-10**
1. Electricity		
Units (KWH)	**730076**	809402
Total Amount (Rs.)	**3601152**	3983737
Rate/units(Rs.)	**4.93**	4.92
2. Diesel		
Units (KWH)	**39579**	54006
Total Amount (Rs.)	**526008**	624449
Rate/units (Rs.)	**13.29**	11.56

Form B

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

Specific areas in which R& D carried out by the Company RFID Tags, Cards manufacturing & Personalization.

2. Benefits derived as a result of above R& D

   a. New products of contactless RFID developed and floated in market

   b. Both revenue & profit maximization.

3. Future plan of Action - Automatic RFID line

4. Technology absorption, adoption and Innovation

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

Form C

Foreign Exchange Earnings and Outgo (Rs. in Million)

Particulars	2010-11	2009-10
Foreign Exchange Earnings	**1949.92**	3025.57
Foreign Exchange Outgo	**0.47**	1.29

ANNEXURE : C - Report on Corporate Governanace

Philosophy on Code of Governance

The Company is of the belief that sound Corporate Governance is critical to enhance and retain stakeholders' trust. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy and regularly reviews the performance of the Company. The Managing Director with the support of senior executives manages the day to day operations of the Company.

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

The composition of the Board is as follows:

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

None of the Directors on the Board is a Member on more than 10 Committees, and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

During the financial year 2010-11, five meetings of the Board of Directors were held on the following dates:

May 15, August 14, November 13, December 6, 2010 and February 14, 2011.

The composition of the Board of Directors and the number of Directorships and Committee Memberships held in other companies and their attendance at the last Annual General Meeting (AGM) are as under:

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

Mr. Y. Raghavendra Rao	Independent Non Executive	2	5	Nil	Yes
Mr. R.V. Panchapakesan	Independent Non Executive	Nil	5	Nil	Yes
Mr. M.M. Yeasaw	Independent Non Executive	Nil	3	Nil	Yes
Mr. A.C. Varma**	Independent Non Executive	1	Nil	1	Yes
Mr. Jimmy R Anklesaria#	Independent Non Executive	Nil	Nil	Nil	NA

* Mr. T. Venkateswara Rao ceased to be a director w.e.f March 30, 2011
** Mr. A.C. Varma ceased to be a director w.e.f February 14, 2011
# Mr. Jimmy R Anklesaria was appointed as an additional director w.e.f February 14, 2011

Change in Composition of Board of Directors since the date of last AGM held on December 28, 2010 up to the date of this Report.

The Board accepted the resignation of Mr. A.C. Varma and Mr. T. Venkateswara Rao at its meetings held on February 14, 2011 and May 14, 2011 respectively. The Board appointed Mr. Jimmy R Anklesaria as an additional director of the Company at its meeting held on February 14, 2011.

Board Committees

Audit Committee

Composition:

The Audit Committee of the Company comprises of three members, two of them including the Chairman being an Independent Director, one of the members is a promoter director. All the members of the Audit Committee are financially literate and Chairman is from finance background being an Ex-General Manager of State Bank of India.

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

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

The Audit Committee has the following powers:

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

Role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of the audit fees.

3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to :
    a. Matters required to be included in the Director's responsibility Statement to be included in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by the management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the Internal Control Systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters, where there is suspected fraud, irregularity failure of the internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and the scope of audit as well as the post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and the creditors.
12. Reviewing the 's financial and risk management policies.
13. Carrying out such other functions which, maybe, from time to time specifically referred by the Board of Directors.

The Audit Committee also reviews the following information:

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

Meetings and attendance

During the financial year 2010-11, five meetings of the Board of Directors were held on the following dates:

May 15, August 14, November 13, December 6 2010 and February 14, 2011.

Sl. No.	Name of Director	No. of Meetings Attended
1.	Mr. Y.Raghavendra Rao	5
2.	Mr. A.B. Satyavas Reddy	Nil
3.	Mr. R. V. Panchapakesan	5

Remuneration Committee

The Remuneration Committee makes recommendation to the Board of Directors regarding remuneration payable to the executive directors of the Company. The Remuneration Committee comprises of three Independent Directors and one Promoter Non Executive Director. Members of the Committee are Mr. R.V. Panchapakesan, Mr. Y.Raghavendra Rao and Mr. A.B. Satyavas Reddy.

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

No remuneration committee meeting was held during the financial year.

Remuneration policy

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

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

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

1. Details of Remuneration to the Executive Directors paid/ payable for the Financial Year 2010-11 are as follows:

Name of Director	Basic Salary (Rs)	Allowances (Rs.)	Perquisites (Rs)	Total (Rs)
Mr. Sudhir Rao	3,780,000	4,288,188	150,000	8,218,188

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

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

Shareholders' Committee

i) Share Transfer Committee

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

The Members of the committee are Mr. A.B. Satyavas Reddy, Mr. Sudhir Rao and Mr. R.V. Panchapakesan. One meeting of the Share Transfer Committee was held during the period of 12 months ended on March 31, 2011.

ii) Shareholders Grievance Committee

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

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duly Amended), the Board has approved the 'Code of Conduct" for the prevention of "Insider

Trading" and authorized the committee to monitor the various requirements as set out in the code.

Members of the Committee are as follows:

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

Mr. Sudhir Rao, Managing Director

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

Details of shareholders' complaints received and resolved during the year 2010-11

The total numbers of complaints/ correspondence received and replied to the satisfaction of the shareholders during the 12 months period ended on March 31, 2011 were twenty five (25). There were no outstanding complaints as on March 31, 2011. No shares were pending transfer as on March 31, 2011.

Compliance Officer:

The Board has designated Mr. N.S. Senthilnathan, Vice President (Corporate Finance) & Company Secretary of the Company as the Compliance Officer w.e.f June 6, 2011.

General Body Meeting

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

Accounting Year	Date	Location of Meeting	Time	Special resolution passed
2009-10	28th December, 2010	Registered Office of the Company Survey No. 351, Raj Bollarum Village, Medchal Mandal, RR Dist AP - 501401	11.00 A.M.	1. To issue GDRs/ADRs, FCCBs/FCEBs convertible into equity not exceeding USD 100 Million.
2008-09	29th September, 2009	Hotel Sitara Residency Banquest Hall, 5th floor, Beside Big Bazaar, Ameerpet Main Road, Hyderabad – 500016	11.00 A.M.	1. To re-appoint Mr. Sudhir Rao as Managing Director of the Company, who shall not be liable to retire by rotation 2. Register and records required to be maintained under various provisions of the Companies Act, 1956 shall be available for inspection. 3. Amendment of Articles of Association.
2007-08	29th September, 2008	Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad - 500044	11.00 A.M.	1. To fix the remuneration payable to Mr. S. Tirumala Prasad, Whole Time Director of the Company. 2. Amendment of Articles of Association. 3. Amendment of the Terms of ESOS 2008 approved at the E.G.M. held on 25.02.2008 (three separate special resolutions passed)

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on September 29, 2011.

Disclosures

1. Materially Significant related party transactions

There are no materially significant related party transactions i.e. transactions, material in nature with its Promoters, Directors or Management of the Company having potential conflict with the interests of the Company at large except as mentioned in note 13 of Schedule 20 to the Annual Accounts for the period ended March 31, 2011.

2. Details of Statutory non-compliances

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

3. Management Discussion and Analysis Report

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

4. Secretarial Audit

A Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

5. Details of Directors seeking re-appointment at the forthcoming AGM

Brief profiles of the directors seeking re-appointment has been given as additional information after the explanatory statement forming part of the notice to AGM.

6. CEO & CFO Certificate

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

Means of communication

i) Shareholders were intimated through the Company's website www.bartronicsindia.com about the quarterly performance and the financial results of the Company.

ii) The quarterly and half yearly results of the Company are generally published in Financial Express (English) and Andhra Prabha (Telugu).

iii) Presentations were also made to the media, analysts, institutional investors etc. from time to time.

iv) The management's discussion and analysis forms part of the Annual Report, which is posted to the Shareholders of the Company.

Adoption of non mandatory requirements

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

Code of conduct for Prevention of Insider Trading

The Board has laid down a Code of Conduct for the prevention of Insider Trading in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duly amended), the Board has approved the requirement of the as set out in the code. The Board members and Senior management personnel have affirmed compliance with the code for the financial period 2010-11.

General Shareholders' Information

Annual General Meeting

Date and Time: September 29, 2011 at 11.00 AM

Financial year

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

Financial year calendar for 11-12 (Tentative)

Results for the quarter ending 30th June 2011 –Second week of August 2011

Results for the quarter ending 30th September 2011 – Second week of November 2011

Results for the quarter ending 31st December 2011 - Second week of February 2012

Results for the quarter ending 31st March 2012 - Second week of May 2012

Book closure date

September 23, 2011 to September 29, 2011 (both days inclusive) on account of AGM and Dividend

Dividend payment date

On or after October 4, 2011

Listing of equity shares on stock exchanges at

i) National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai - 400 051

ii) Bombay Stock Exchange Ltd.
The Corporate Relationship Department
Rotunda Building, PJ. Towers, Dalal Street
Fort, Mumbai - 400 001

Listing fees

Listing fee for the year 2011-12 has been paid to the above stock exchanges.

Depositories

i) National Securities Depository Ltd.
Trade World, 4th Floor,
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 003

ii) Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai 400 023

The Annual Custodial Charges to the National Securities Depository Limited and Central Depository Services (India) Ltd. for the financial year 2011-12 has been paid.

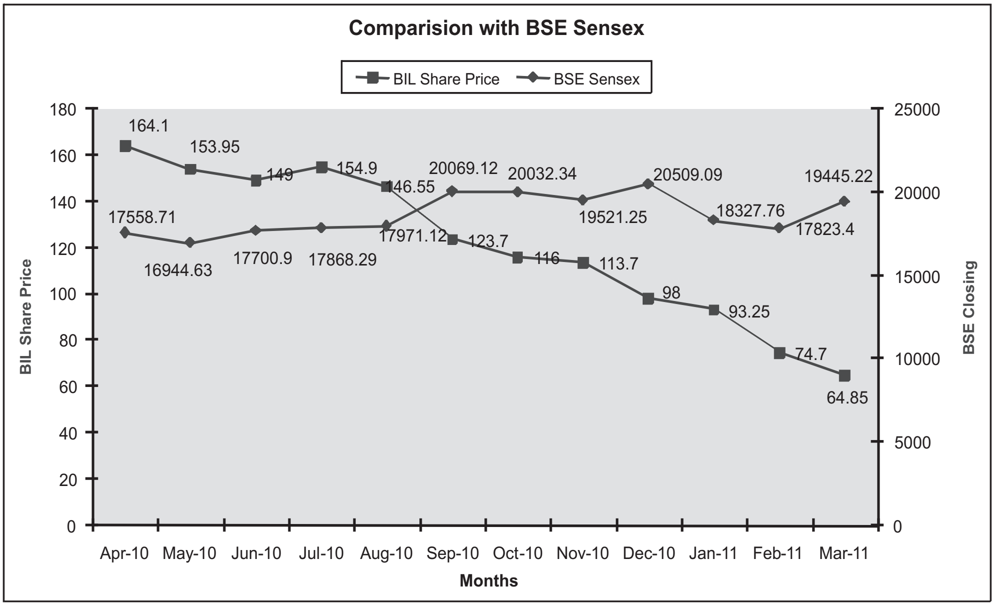
Stock code

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

Share price performance

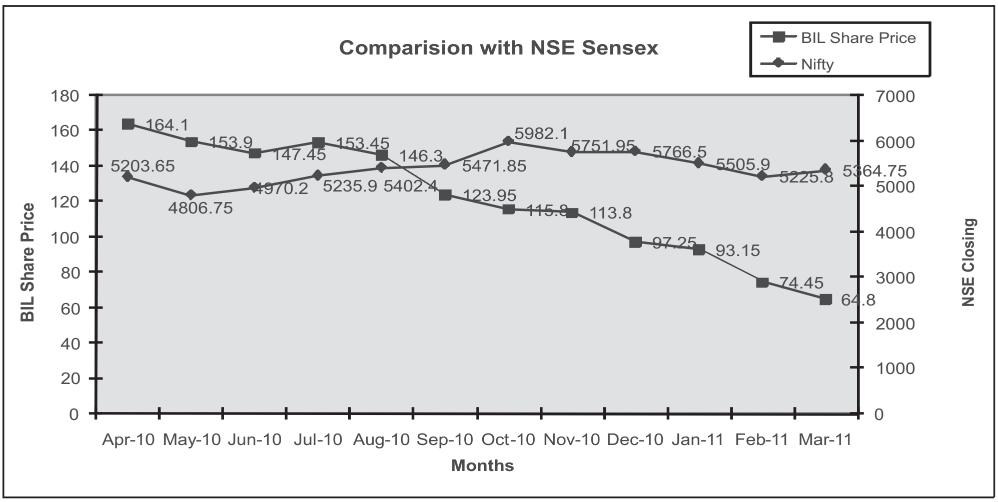
Bombay Stock Exchange Limited:

Month	Months High Price	Months low Price	Spread High – Low	Closing Price	BSE Sensex (Closing)
April 10	164.10	150.50	13.60	151.70	17558.71
May 10	153.95	136.50	17.45	142.05	16944.63
June 10	149.00	138.00	11.00	142.00	17700.90
July 10	154.90	140.50	14.40	143.95	17868.29
August 10	146.55	103.50	43.05	107.45	17971.12
September 10	123.70	101.00	22.70	108.55	20069.12
October 10	116.00	100.15	15.85	101.85	20032.34
November 10	113.70	84.00	29.70	90.15	19521.25
December 10	98.00	72.10	25.90	89.10	20509.09
January 11	93.25	70.00	23.25	71.10	18327.76
February 11	74.70	56.60	18.10	57.15	17823.40
March 11	64.85	56.80	8.05	61.60	19445.22



National Stock Exchange of India Limited

Month	Months High Price	Months low Price	Spread High – Low	Closing Price	S&P CNX NIFTY (Closing)
April 10	164.10	151.00	13.10	152.30	5203.65
May 10	153.90	136.60	17.30	141.85	4806.75
June 10	147.45	137.00	10.45	141.65	4970.20
July 10	153.45	140.30	13.15	144.05	5235.90
August 10	146.30	103.10	43.20	107.40	5402.40
September 10	123.95	100.60	23.35	108.30	5471.85
October 10	115.80	101.40	14.40	101.95	5982.10
November 10	113.80	83.70	30.10	90	5751.95
December 10	97.25	72.00	25.25	88.85	5766.50
January 11	93.15	70.00	23.15	71.10	5505.90
February 11	74.45	56.80	17.65	57.25	5225.80
March 11	64.80	57.00	7.80	60.65	5364.75



Registrar and Transfer Agents:

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

Registered Office	Branch Office
Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai – 400072 Tel : 022-2847 0652 Fax : 022-2847 5207	Bigshare Services Private Limited G-10, Left Wing, Ashri.utha Ville, Opp : Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500082 Tel : 040-2337 4967

Share Transfer System

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

Distribution of Shareholding as on March 31, 2011

Shareholding of Nominal Value (in Rupees)	No. of Shareholders	% (Percentage)	No. of Shares Held	% (Percentage)
Upto – 5000	61625	89.75	8070003	23.70
5001-10000	3962	5.77	3195752	9.39
10001-20000	1702	2.47	2605868	7.65
20001-30000	530	0.77	1365796	4.01
30001-40000	231	0.34	840534	2.47
40001-50000	182	0.26	865626	2.54
50001-100000	245	0.36	1784364	5.24
100001 – Above	189	0.28	15320918	45.00
Total	68666	100.00	34048861	100.00

Pattern of shareholding as on March 31, 2011 (Face Value: Re.10 each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	9329418	27.40
Mutual Funds	3600	0.01
Financial Institutions/Banks	419077	1.23
Foreign Institutional Investors	100961	0.30
Body Corporate	4809202	14.12
Indian Public	19164557	56.29
Clearing Members	54847	0.16
Non resident Indians and Overseas Body Corporate	150949	0.44
Trust	16250	0.05
Total	**34048861**	**100**

Dematerialization of shares

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

Outstanding convertible instruments

1. 500 Foreign Currency Convertible Bonds were outstanding for conversion as on 31.03.2011.

2. During the Financial year 2009-10 the Company has issued 63,00,000 convertible warrants to M/s. Info Tech Infin and Trading Private Limited and 20,00,000 convertible warrants to M/s. Swain Finance and Trading Private Limited which shall be converted into equity shares on or before August 17, 2011. The allottees have intimated the Company that they will not exercise the option of conversion of warrants into equity shares vide their letter dated June 22, 2011.

3. Apart from this no other GDRs/ADRs and warrants were outstanding which may have an impact on equity.

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

Investors' Correspondence :
Mr. N.Sivalai Senthilnathan, Company Secretary
8-2-120/77/4B, Besides NTR Bhavan,
Road No. 2, Banjara Hills, Hyderabad - 500034
Phone: 91-40-23606316/17, Fax: 91-40-23558076
Email: info@bartronicsindia.com

Annexure D

Certificate on Corporate Governance

To

The Members of Bartronics India Limited

I have examined the compliance conditions of Corporate Governance by Bartronics India Limited, Hyderabad for the period ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement.

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

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

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

I further state that such compliance is neither an assurance as to the future viability of the Company not the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Y. Ravi Prasada Reddy
Practicing Company Secretary

Place: Hyderabad — FCS No. : 5783

Date: August 25, 2011 — CP No. : 5360

Annexure E

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

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct, laid down by the Board of Directors, for the financial year 2010-11.

For Bartronics India Limited

Place: Hyderabad
Date: August 25, 2011

Sudhir Rao
Managing Director

Annexure F

CEO & CFO CERTIFICATION

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2011, that the Company has complied with the requirements mentioned in the said sub clause.

For **Bartronics India Limited**

Place: Hyderabad
Date: August 25, 2011

Sudhir Rao
Managing Director

N.Sivalai Senthilnathan
Vice President (Finance)

Annexure G

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

Sr. No.	Name of Person/ Entity
1.	A.B. Satyavas Reddy and his relatives
2.	A.B. Neetha Reddy and her relatives
3.	R. Shobha Rani Reddy and her relatives
4.	Satya Straps and Packing Technologies Limited
5.	Bartronics America Inc., USA
6	Bartronics Asia Pte Limited, Singapore
7	Software Research Group Inc., USA
8	Performica Software Pvt. Ltd.
9	Quality E People
10	Veneta Holdings Limited
11	Info Tech Infinn & Trading Private Limtied
12	Bartronics Middle East FZE
13	Bartronics Hongkong Limited
14	Exxova Worldwide Corp
15	Empower Technology Solutions Inc

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

Auditors' Report

To The Members of

Bartronics India Limited

1) We have audited the attached Balance Sheet of Bartronics India Limited ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto in which are incorporated the Returns from an overseas branch audited by other auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3) Without qualifying our opinion, we invite attention to Note 25 of Schedule 20 forming part of the financial statements regarding the uncertainties relating to MCD - Aapke Dwar Project.

4) We invite attention to:

   a) *Note 9 of Schedule 20 forming part of the financial statements regarding Sundry Debtors balance aggregating to Rs.36,577.76 Lakhs and in respect of which no provision has been made for reasons stated therein. We are unable to form an opinion on the extent to which the debts may prove irrecoverable.*

   b) *Note 11 of Schedule 20 regarding slow moving software inventory aggregating to Rs.314.13 Lakhs. We are unable to form an opinion on the appropriateness of the carrying cost of such items of inventory*

5) As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

6) Further to our comments in paragraph 3 and the Annexure referred to in paragraph 5 above, we report as follows:

   a. *Subject to paragraph 4 above,* we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the overseas branch audited by other auditors.

   c. the report on the accounts of the overseas branch audited by other auditors has been forwarded to us and have been dealt with by us in preparing this report;

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

   e. in our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;

   f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and *subject to the effect of adjustments that may be required in respect of matters referred to in paragraph 4 above, the effect of which we have not been able to determine,* give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

(b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

7) On the basis of written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

C R Rajagopal
Partner
Membership No:23418

Hyderabad, 25 August, 2011

Annexure to the Auditors' Report

(Referred to in paragraph 5 of our report of even date)

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

ii) In respect of its fixed assets:

   (a) The Company is in the process of re-constructing its fixed assets register with a view towards reflecting full particulars including quantitative details and situation of fixed assets.

   (b) Some of the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion, provides for physical verification of all fixed assets at reasonable intervals. In respect of assets at third parties locations, confirmations have been received. In view of the fact that the fixed assets register is in the process of reconstruction, management has informed that discrepancies, if any, arising between the assets verified and the book records would be dealt with in the period in which such re-construction of the register is completed.

   (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories:

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

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

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

(v) In our opinion and according to the information and explanations given to us, internal control procedures with regard to purchase of inventory and fixed assets and for the sale of goods need to be strengthened so as to be commensurate with the current size of the Company and the nature of its business. Except for the above, we have not observed any other continuing failure to correct major weaknesses in internal controls.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

   (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

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

(viii) According to the information and explanations given to us in respect of statutory dues:

(a) Except for delays in deposit of dues relating to provident fund, employees state insurance, income-tax, wealth tax, value added tax, fringe benefit tax and service tax, the Company has generally been regular in deposit of excise duty, custom duty cess and other material statutory dues applicable to it with the appropriate authorities.

(b) The statutory dues in arrears as at 31st March 2011 for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of the Dues	Rs. in Lakhs.	Period to which the amount relates	Due Date	Date of Payment
Income-Tax Act, 1961	Income Tax	3.25	2000-01	Various Dates	Not paid
		111.69	2007-08	March 31, 2008	
		334.59	2008-09	March 31, 2009	
		848.41	2009-10	March 31, 2010	
		515.33	2010-11	September 15, 2010	
	Fringe Benefit Tax	768.76	2007-08	March 31, 2008	
The Finance Act, 1994	Service Tax	3.42	2003-04	Various Dates	
		5.50	2004-05	Various Dates	
		0.84	2005-06	Various Dates	

(c) Details of dues of Income-tax which have not been deposited as on 31 March, 2011 on account of disputes are given below:

Name of the statute	Nature of the Dues	Financial Years to which the matter pertains	Rs. in Lakhs	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	2005-2006	89.67	Commissioner of Income Tax- Appeals
		2006-2007	199.52	

(ix) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institution and banks as follows :

Lender	Maximum amount of default (Rs in lakhs)	Maximum period of default(days)	Subsequent Payment
Andhra Bank			
Principal	152.78	78	Paid
Interest	60.09	58	
Bank of India			
Principal	330.00	109	Paid
Interest	55.69	69	
Bank of Baroda			
Principal	137.50	87	Paid
Interest	32.65	60	
HSBC			
Principal	—	—	Paid
Interest	12.42	69	
Indian Bank			
Principal	91.67	94	Paid
Interest	20.03	70	
Punjab National Bank			
Principal	5000.00	138	Paid
Interest	60.74	79	
LIC			
Principal	142.86	78	Not Paid
Interest	33.12	164	Paid

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

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

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

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

C R Rajagopal
Partner
Membership No:23418

Hyderabad, 25 August, 2011

Balance Sheet As At 31 March, 2011

(Rs. In Lakhs)

Particulars	Schedule No	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		**3,404.89**	3,404.89
Share Warrants		4	**4,465.25**	4,465.25
Reserves and Surplus	2	5	**45,223.12**	40,849.88
			53,093.26	48,720.02
Loan Funds				
Secured Loans	3	6	**33,975.22**	39,594.13
Unsecured Loans	4	7	**24,721.97**	22,450.00
			58,697.19	62,044.13
Deferred Tax Liability (Net)		18	**3,310.84**	3,916.81
TOTAL			**115,101.29**	114,680.96
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block			**36,798.25**	36,439.40
Less: Accumulated Depreciation /Amortisation			**12,607.38**	7,370.77
Net Block			**24,190.87**	29,068.63
Capital work-in-progress		25	**19,401.65**	20,654.95
[(Includes Capital Advances Rs. 15,265.87 lakhs)			**43,592.52**	49,723.58
(31.03.2010 Rs. 18,322.43 lakhs)]				
Investments	6		**248.94**	204.98
Current Assets, Loans & Advances				
a. Inventories	7	11	**1,934.17**	1,970.38
b. Sundry Debtors	8	9	**58,534.39**	56,866.91
c. Cash and Bank Balances	9	10	**707.67**	1,099.84
d. Loans and Advances	10		**47,157.87**	40,838.61
			108,334.10	100,775.74
Less: Current Liabilities & Provisions	11			
a. Liabilities			**25,628.24**	27,938.34
b. Provisions			**11,446.03**	8,085.00
			37,074.27	36,023.34
Net Current Assets			**71,259.83**	64,752.40
TOTAL			**115,101.29**	114,680.96
Significant Accounting Policies and Notes	19 & 20			

The schedules referred to above form an integral part of the Balance Sheet
In terms of our report attached

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

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place: Hyderabad
Date : 25.08.11

N.Sivalai Senthilnathan
Company Secretary

Profit & Loss Account for the Year Ended 31 March, 2011

(Rs. In Lakhs)

Particulars	Schedule No	Note Reference Schedule 20	Year ended 31.03.2011	Year ended 31.03.2010
INCOME				
Gross Sales			**59,970.36**	58,158.14
Less: Excise Duty			**265.35**	147.52
Net Sales	12	8	**59,705.01**	58,010.62
Other Income	13		**912.68**	745.47
			60,617.69	58,756.09
EXPENDITURE				
Cost of Goods Sold	14		**28,742.76**	32,131.58
Manufacturing Expenses	15		**12,555.11**	2,091.42
Personnel Expenses	16		**1,055.19**	775.93
Administrative, Selling and Other Expenses	17		**1,825.72**	3,799.24
Interest & Finance Charges	18		**6,016.18**	4,375.40
Depreciation/ Amortisation	5		**5,236.62**	4,775.96
			55,431.58	47,949.53
Profit Before Tax			**5,186.11**	10,806.56
Taxation				
— Current Tax [Net of excess provision written back of Rs.128.34 Lakhs (31.03.2010 Rs. 14.68 Lakhs relating to earlier years)]		22	**989.06**	1,867.90
— Deferred Tax		18	**(605.97)**	2,434.60
— MAT Credit Entitlement of earlier years			**(1,777.52)**	—
Profit After Tax			**6,580.54**	6,504.06
Balance brought forward from Previous Year			**15,781.60**	9,674.59
Balance available for appropriations			**22,362.14**	16,178.65
Appropriations:				
— Proposed Dividend			**340.49**	340.49
— Dividend Distribution Tax			**56.55**	56.56
Balance Carried to Balance Sheet			**21,965.10**	15,781.60
Earnings per Share (Face Value Rs.10 each) - Rs.				
Basic		19	**19.33**	21.22
Diluted			**12.49**	15.09
Significant Accounting Policies & Notes	19 & 20			

The schedules referred to above form an integral part of the Profit & Loss Account.
In terms of our report attached

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

C R Rajagopal
Partner

Place: Hyderabad
Date : 25.08.11

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

N.Sivalai Senthilnathan
Company Secretary

Cash Flow Statement for the year ended 31 March 2011

Rs. in Lakhs

	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before Taxation	**5,186.11**	10,806.56
	Adjusted for:		
	Wealth Tax	**0.85**	0.83
	Depreciation & Amortisation	**5,236.62**	4,775.96
	Fixed Assets Written Off	—	204.14
	Interest Income	**(18.10)**	(40.88)
	Interest Expense	**6,016.18**	4,375.40
	Unrealised Foreign Exchange Loss (Net)	**236.54**	2,072.15
	Subsidiary Advances Written Off	**6.50**	42.26
	Provision for Diminution in the Value of Investments	—	3.13
	Loss on Sale of Fixed Assets (Net)	—	2.44
	Operating Profit Before Working Capital Changes	**16,664.70**	22,241.99
	Changes in:		
	Trade and Other Receivables	**(3,627.85)**	(33,275.38)
	Inventories	**36.21**	(670.10)
	Trade and Other Payables	**(1,279.12)**	17,506.70
	Cash Generated From Operations	**11,793.94**	5,803.21
	Taxes Paid	**(2,282.82)**	(306.87)
	NET CASH FROM OPERATING ACTIVITIES (A)	**9,511.12**	5,496.34
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (after adjustment of Increase/ Decrease in Capital Work in Progress)	**(2,381.28)**	(23,808.39)
	Refund of Capital Advances	**2,239.71**	—
	Sale of Fixed Assets	**0.15**	3.00
	Interest Received	**37.27**	19.66
	Investment in Subsidiaries	**(18.96)**	—
	Investment in Current Investment	**(25.00)**	—
	Advances to Subsidiaries	**(538.48)**	(447.24)
	Repayment of Advances to Subsidiaries	—	(720.27)
	NET USED IN INVESTING ACTIVITIES (B)	**(686.59)**	(24,953.24)
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds From Long Term Borrowings	**1,990.12**	13498.16
	Repayment of Long Term Borrowings	**(8,446.48)**	(2823.59)
	Proceeds from Working Capital Loans (Net)	**964.85**	3,355.08
	Proceeds from Unsecured Loans (Net)	**2,051.17**	—
	Interest & Finance Charges Paid	**(5,386.06)**	(4,161.85)
	Proceeds From Issue of Equity Capital	—	269.31
	Proceeds From Issue of Share Warrants	—	4,465.25
	Securities Premium Received	—	5,634.69
	Dividend Paid (Including Distribution tax)	**(390.30)**	(352.93)
	NET CASH (USED IN)/FROM FINANCING ACTIVITIES (C)	**(9,216.70)**	19,884.12

Cash Flow Statement for the year ended 31 March 2011

Rs. in Lakhs

	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
D)	Effects of exchange differences on translation of foreign currency cash & cash equivalents (D)	—	1.00
	NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(392.17)**	428.22
	Cash And Cash Equivalents As At The Beginning of The Year	**1,099.84**	671.62
	Cash And Cash Equivalents As At The End of The Year	**707.67**	1,099.84

Notes:

1) The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211(3C) of the Companies Act, 1956.
2) Cash and Cash Equivalents include Rs 223.25 lakhs (31.03.2010: Rs. 466.24 lakhs) Deposits lodged with Banks against guarantees/ letter of credit issued.
3) Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
4) Figures in bracket represents cash outflow.
5) Schedules 19 and 20 form an integral part of the Cash Flow statement.

In terms of our report attached

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

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place: Hyderabad
Date : 25.08.11

N.Sivalai Senthilnathan
Company Secretary

Schedules forming part of the Balance Sheet As At 31 March, 2011

Rs. in Lakhs

Particulars	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 1: Share Capital			
Authorised Capital			
110,000,000 Equity Shares of Rs.10/- each		**11,000.00**	11,000.00
Issued, Subscribed & Paid Up Capital 34,048,861Equity Shares of Rs.10/- each fully paid up (Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 Lakhs from the Profit and Loss account)		**3404.89**	3404.89
		3,404.89	3,404.89
Schedule 2: Reserves and Surplus			
Securities Premium Account			
Balance as per last accounts	5	**24,943.28**	18,007.80
Add: Premium on conversion of FCCB's		—	2,425.91
Less: Premium on Redemption of FCCB's		**1,810.26**	1,125.12
Add: Premium on Preferential Allotment of Equity Shares		—	5,634.69
		23,133.02	24,943.28
General Reserve			
Balance as per last accounts		**125.00**	125.00
Profit and Loss Account		**21,965.10**	15,781.60
		45,223.12	40,849.88
Schedule 3: Secured Loans			
1) From Banks			
Term Loans*	6	**13,229.91**	21,387.23
Working Capital Loans			
i. Rupee Loan		**13,094.37**	12,373.84
ii. Foreign Currency Loan		**2,874.76**	2,813.28
2) From Financial Institution			
Term Loans		**3,000.00**	3,000.00
3) From Others			
Equipment and Vehicle Loans		**1,776.18**	19.78
		33,975.22	39,594.13
*[includes interest accrued and due of Rs. 306.69 lakhs (31.03.2010: Rs.251.24 lakhs)]			
Schedule 4: Unsecured Loans			
Foreign Currency Convertible Bonds-FCCB's	7	**22,670.80**	22,450.00
Others		**2,051.17**	—
		24,721.97	22,450.00

Schedules forming part of the Balance Sheet As At 31st March, 2011

Schedule 5: Fixed Assets

(Rs. In Lakhs)

Particulars	Gross Block (At Cost)				Accumulated Depreciation/Amortisation				Net Block	
	As At 01.04.10	Additions	Deletions/ Adjustments	As At 31.03.11	As At 01.04.10	For the Year	Deletions/ Adjustments	As At 31.03.11	As At 31.03.11	As At 31.03.10
Tangible Assets										
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	303.84	-	-	303.84	13.08	10.15	-	23.23	280.61	290.76
Plant And Machinery	7,122.97	4.48	-	7,127.45	868.14	527.91	-	1,396.05	5,731.40	6,254.83
Electrical Installation	399.19	27.55	-	426.74	51.85	33.10	-	84.95	341.79	347.34
Computers	10,465.05	101.09	0.15	10,565.99	2,242.07	1,695.31	0.01	3,937.37	6,628.62	8,222.98
Office Equipment	33.19	17.11	-	50.30	19.78	3.29	-	23.07	27.23	13.41
Furniture& Fixtures	180.52	10.77	-	191.29	113.20	6.20	-	119.40	71.89	67.32
Vehicles	153.67	137.47	-	291.14	74.18	16.44	-	90.62	200.52	79.49
Leasehold Improvements	-	47.92	-	47.92	-	1.78	-	1.78	46.14	-
Intangible Assets										
Intellectual Property Rights	119.82	-	-	119.82	15.92	11.98	-	27.90	91.92	103.90
Software	17,619.23	12.61	-	17,631.84	3,972.55	2,930.46	-	6,903.01	10,728.83	13,646.68
Total	**36,439.40**	**359.00**	**0.15**	**36,798.25**	**7,370.77**	**5,236.62**	**0.01**	**12,607.38**	**24,190.87**	**29,068.63**
Previous Year	***30,137.43***	***7,492.40***	***1,190.43***	***36,439.40***	***3,575.66***	***4,775.96***	***980.84***	***7,370.77***	***29,068.63***	

Schedules forming part of the Balance Sheet As At 31 March, 2011

Rs. in Lakhs

Particulars			Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 6: Investments (at cost unless otherwise specified)					
a) In Subsidiaries-Long Term-Unquoted					
	No.of Equity Shares	Face Value			
— Bartronics Asia Pte Ltd	769,500	SGD 1		**204.38**	204.38
— Bartronics America Inc	1,500	USD 1		**0.60**	0.60
— Bartronics Middle East FZE	1	AED 150,000		**18.96**	—
— ROI Public Relations Pvt Ltd	31,250	INR 10		**3.13**	3.13
Less: Provision for Diminution in Value of Investment				**(3.13)**	(3.13)
				223.94	204.98
b) Current Investments - Quoted (At lower of Cost and Fair Value)					
In PNB- Principal Large Cap Fund- Growth Plan				**25.00**	—
94,804.702 Units Purchased during the year					
				248.94	204.98
Aggregate Book Value of Quoted Investments				**25.00**	—
Aggregate Market Value of Quoted Investments				**27.62**	
Aggregate Book Value of Unquoted Investments				**223.94**	204.98
Schedule 7: Inventories					
(At Lower of Cost and Net Realisable Value)					
Raw Materials					
Manufacturing				**412.57**	458.44
Export Software				**950.08**	986.34
Stock in Progress				**112.12**	127.97
Finished Goods			11	**459.40**	397.63
				1,934.17	1,970.38
Schedule 8: Sundry Debtors : (Unsecured)					
Debts outstanding for a period exceeding six months			9		
Considered Good (Refer Note-i)				**36,577.76**	27,004.88
Considered Doubtful				**467.56**	65.19
				37,045.32	27,070.07
Other Debts					
Considered Good (Refer Note-ii)				**21,956.63**	29,862.03
		Total		**59,001.95**	56,932.10
Less: Provision for Doubtful Debts				**(467.56)**	(65.19)
				58,534.39	56,866.91

Notes:

i) Includes amount due from subsidiaries Rs. 1601.50 Lakhs (31.03.10 Rs. Nil)

ii) Includes amount due from subsidiaries Rs. 135.33 Lakhs (31.03.10 Rs. Nil)

Schedules forming part of the Balance Sheet As At 31 March, 2011

Rs. in Lakhs

Particulars	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 9: Cash and Bank Balances			
Cash on Hand	10(a)	**2.66**	6.03
Cheques on Hand		**—**	1.48
Balances with Scheduled Banks			
— On Deposit Accounts*		**223.25**	466.24
— On Current Accounts		**50.88**	605.52
— Unclaimed Dividend Account		**9.57**	2.82
Balances with Non Scheduled Banks			
— On Current Account	10(b)	**421.31**	17.75
***(Pledged with Banks against guarantees and Letter of Credit issued)**		**707.67**	1,099.84
Schedule 10: Loans and Advances (Unsecured)			
Advances to Subsidiaries	14	**32,611.98**	31,761.17
Advances recoverable in cash or in kind for value to be received			
— Suppliers		**5,952.32**	4,637.03
— Others		**172.38**	580.50
— Deposits		**3,516.25**	3,020.40
Advance Tax and Tax Deducted at Source		**2,634.70**	339.22
MAT Credit Receivable		**1,777.52**	-
Interest receivable on Deposits		**7.62**	26.79
Prepaid Expenses		**437.40**	487.15
Balance with Customs & Excise Authorities		**61.78**	0.43
		47,171.95	40,852.69
Less: Provision for Doubtful Advances		**(14.08)**	(14.08)
		47,157.87	40,838.61
Of the above: Considered Good		**47,157.87**	40,838.61
Considered Doubtful		**14.08**	14.08
Schedule 11: Current Liabilities & Provisions			
A) Liabilities			
Sundry Creditors			
Due to Micro Enterprises and Small Enterprises	24	—	—
Due to Other than Micro Enterprises and Small Enterprises			
— For Goods & Services - Refer Note (i)		**24,143.28**	26,016.07
— For Capital Expenses		**211.11**	1,246.97
Other Liabilities		**103.34**	132.50
Advances from Customers		**1,100.17**	517.93
Unclaimed Dividend - Refer Note (ii)		**9.57**	2.82
Interest accrued but not due on term loans		**60.77**	22.05
		25,628.24	27,938.34

Notes :

i) Due to Subdiaries Rs 1,619.24 lakhs (31.03.10 Rs. Nil)

ii) There are no amounts outstanding and due as at 31 March 2011 and as at 31 March 2010 to be credited to Investor Education and Protection Fund.

B) Provisions			
Proposed Dividend		**340.49**	340.49
Dividend Distribution Tax		**56.55**	56.56
Provision for Premium Payable on Redemption of FCCB's		**5,364.31**	3,554.05
Provision for Taxation		**4,890.83**	3,410.79
Fringe Benefit Tax		**727.88**	669.39
Employee Benefits	21	**65.97**	53.72
		11,446.03	8,085.00

Schedules Forming Part Of The Profit and Loss Account for the Year ended 31st March, 2011

Rs. in Lakhs

Particulars	Note Reference Schedule 20	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule 12: Sales	20(b)		
A) Exports- Software			
Value Added		**6,880.31**	12,787.40
Self Developed	8	**12,618.94**	17,468.33
Sub Total		**19,499.25**	30,255.73
B) Manufacturing		**2,281.94**	2,931.35
C) Trading			
High Sea Sales		**24,567.37**	13,156.04
Others		**596.96**	9,517.61
Sub Total		**25,164.33**	22,673.65
D) Services		**12,759.49**	2,149.89
		59,705.01	58,010.62
Schedule - 13 : Other Income			
Interest on Deposits - Gross [Tax deducted at Source Rs.2.09 Lakhs (31.03.2010 Rs.4.38 Lakhs)]		**18.10**	40.88
Exchange Gain (Net)		**807.60**	—
Liabilities no longer required written back		—	473.24
Provision no longer required written back (net)		—	164.05
Miscellaneous Income		**86.98**	67.30
		912.68	745.47
Schedule 14 : Cost of Goods Sold			
Raw Material Consumed			
Manufacturing			
Opening stock		**458.44**	646.78
Add: Purchases		**1,773.13**	2,300.01
Less: Closing stock		**412.57**	458.44
(a)		**1,819.00**	2,488.35
Export Software			
Opening stock		**986.34**	534.48
Add: Purchases		**5,822.11**	11,297.83
Less: Closing stock		**950.08**	986.34
(b)		**5,858.37**	10,845.97
Trading- Purchases	20 (c)		
High Sea Purchases		**20,482.38**	10,187.38
Others		**628.93**	9,016.45
(c)		**21,111.31**	19,203.83
Total (a + b + c) A		**28,788.68**	32,538.15
(Increase)/Decrease in Stock			
Closing Stock			
Stock in Progress		**112.12**	127.97
Finished Goods	11	**459.40**	397.63
		571.52	525.60
Opening Stock			
Stock in progress		**127.97**	16.79
Finished Goods		**397.63**	102.24
		525.60	119.03
Total B		**(45.92)**	(406.57)
Total A + B		**28,742.76**	32,131.58

Schedules Forming Part Of The Profit and Loss Account for the Year ended 31st March, 2011

Rs. in Lakhs

Particulars	Note Reference Schedule 20	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule 15 : Manufacturing Expenses			
Factory Maintenance		**12.88**	24.45
Power & Fuel		**42.62**	46.08
Repairs & Maintenance		**6.92**	9.71
Service Related Expenses		**78.91**	—
Sub- Contracting Charges		**12,413.78**	2,011.18
		12,555.11	2,091.42
Schedule 16 : Personnel Expenses			
Salaries and Wages		**859.59**	566.88
Contribution to Provident, Gratuity and other funds		**53.92**	52.47
Directors Remuneration	15	**82.09**	128.65
Staff Welfare Expenses		**59.59**	27.93
		1,055.19	775.93
Schedule 17: Administrative, Selling and Other Expenses			
Rent	23	**142.74**	114.47
Advertisement Expenses		**126.07**	22.85
Donation		**113.45**	—
Electrical Charges		**27.91**	25.86
Insurance		**96.53**	78.42
Rates & Taxes		**15.64**	106.15
Printing & Stationery		**33.62**	23.21
Communication Expenses		**51.32**	37.10
Travelling & Conveyance		**261.42**	141.83
Legal & Professional Charges		**185.73**	348.46
General Expenses		**44.43**	117.16
Bank Charges		**86.65**	100.55
Directors Sitting Fees	15	**1.35**	1.30
Auditor's Remuneration	16	**92.50**	45.00
Exchange Loss (Net)		—	2,177.90
Provision for Doubtful Debts/Advances /Deposits		**409.64**	154.58
Provision for diminution in value of investment		—	3.13
Doubtful and Bad Deposits, Advances/Fixed Assets Written Off		**79.78**	235.65
Loss on Sale of Asset		—	2.44
Repairs & Maintenance-Others		**56.75**	57.28
Freight Outwards		**0.19**	5.90
		1,825.72	3,799.24
Schedule-18 : Interest & Finance Charges			
Interest on Term Loans		**2,988.74**	2,110.60
Interest on Working Capital Loans		**2,101.53**	1,721.43
Interest on Taxes		**535.95**	270.66
Other Finance Charges		**389.96**	272.71
		6,016.18	4,375.40

SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES:

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

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

2. **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.

3. **Fixed Assets:**

A. Tangible Assets:

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

Plant & Machinery	7.42%
Electrical Installations	7.42%

B. Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization. Intangible Assets are amortized over their estimated useful lives on a straight line which are as follows :

Intellectual Property Rights	10.00%
Software	16.67%

4. **Borrowing Costs:**

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

5. **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.

6. Investments:

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

7. Inventories:

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

a)	Raw Materials	First in First Out Method
b)	Finished Goods and Stock in Progress	Direct Material cost plus appropriate overheads

8. Income Taxes:

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company. 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 difference 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.

9. 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.

10. Revenue Recognition:

A. Export Sales:

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

B. Manufactured Sales:

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

C. Trading Sales:

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

D. Service Income:

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

11. Foreign currency transactions and translations:

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.

12. Leases:

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

13. Earnings Per Share:

Basic earnings per equity share ("EPS") is computed 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/(Loss) after Tax for the year referred to above adjusted for any attributable change in expenses or income that would result from the conversion of the dilutive potential equity shares, by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti dilutive.

14. Provisions and Contingent Liabilities:

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

15. Redemption Premium:

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

SCHEDULE: 20 Notes to Account:

1. Contingent Liabilities:

Rs. In Lakhs

Particulars	**As At 31. 03. 2011**	As At 31. 03. 2010
Counter Guarantees Given To Banks Towards:		
-Bank Guarantees Issued	**497.97**	71.38

2. Claims Against The Company Not Acknowledged As Debts:

Disputed Taxes	**As At 31. 03. 2011**	As At 31. 03. 2010
Income Tax	**297.74**	225.16
Sales Tax	**54.25**	—

3. Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.15,265.87 lakhs (31.03.2010 Rs. 18,322.43 lakhs)] Rs.29,643.67 lakhs (31.03.2010: Rs. 26,734.64 lakhs)

4. Share Warrants:

The Company has issued 6,300,000 Convertible Share Warrants of Rs 10 each at a premium of Rs 222 per warrant belonging to the promoter and promoter group and 2,000,000 Compulsory Convertible Warrants of Rs.10 each at a premium of Rs.152.25 per warrant to non-promoter group during February, 2010.These are convertible into equity shares at a later date but before expiry of 18 months from the date of issue in one or more tranches. As per the terms of issue, the Company has received 25% value as advance against the said Compulsory Convertible Warrants aggregating to Rs. 4,465.25 Lakhs.

5. Reserves & Surplus:

Securities Premium:

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

Particulars	**As At 31. 03. 2011**	As At 31. 03. 2010
Opening Balance	**24,943.28**	18,007.80
Add: Premium on conversion of FCCB into equity shares:- [31.03.2011 Nil(31.03.2010 :US$ 60 Lakhs FCCB and conversion premium thereon of Rs 219.94 Lakhs (equivalent to 5.40 Lakhs USD) converted into 23,78,340 Equity Shares @ Rs.112/-)]	—	2,425.91
Add: Premium on preferential allotment of equity shares [31.03.2011: Nil (31.03.2010:Premium on allotment of 22,00,000 Preferential equity Shares @Rs.222 per share to Promoter and Promoter Group and 493,065 Preferential Equity Shares @ 152.25 per share to Non-Promoter Group)	—	5,634.69
Sub Total	**24,943.28**	26,068.40
Less: Premium Payable on redemption of FCCB	**1,810.26**	1,125.12
Closing Balance	**23,133.02**	24,943.28

b. As stated in Significant Accounting Policies No. 15 of Schedule 19, the Company charges the premium payable on redemption of Foreign Currency Convertible Bonds to the securities premium account over the life of the bond. Had the Company provided the full liability of premium payable on redemption of bonds in terms of the provisions of Accounting Standard-29 'Provisions, Contingent Liabilities & Contingent Assets' in Securities Premium Account in the year of issue, the additional liability would have been Rs.3,581.92 Lakhs. (31.03.2010 Rs. 5,305.05 Lakhs)

6. Secured Loans:

i. Term Loans:

a. Term loans availed from banks and financial institutions are secured by:

- Equitable mortgage of the Company's immovable property at Raj Bollaram Village.
- First pari passu charge on all fixed assets, present and future and pari passu second charge on all the current assets both present and future.
- The personal guarantees of certain promoters.

b. Amounts repayable within twelve months in respect of Term Loans: Rs.6,024.01 Lakhs (31.03.2010: Rs. 4,114.25 Lakhs)

ii. Working Capital Loans:

Working Capital loans availed from banks are secured by:

- First pari-passu charge on all the movable properties both present and future including without its limitation its stock in trade, receivables, investments, deposits and other movables.
- First pari passu charge on all the current assets and pari passu second charge on all the moveable fixed assets of the Company.
- The personal guarantees of certain promoters.

iii. Hire Purchase Loans:

a. Equipment and Vehicle loans from others are secured by hypothecation of equipments/vehicles acquired out of the said loans.

b. Amounts repayable within twelve months in respect of equipment/vehicle loans: Rs. 468.95 Lakhs (31.03.2010: Rs 7.52 Lakhs).

7. Unsecured Loans:

Foreign Currenzcy Convertible Borrowings (FCCB):

The Company raised US$ 25 Million ('FCCB-I') on 09.06.2007 and US$ 50 Million ('FCCB-II') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds. Bond holders have an option to convert each bond of US$ 100000 into shares of Rs. 10/- each at the conversion price of Rs.140/- in respect of the FCCB-I and at the conversion price of Rs.290/- in respect of FCCB-II. The bonds are redeemable with a yield to maturity of 7.25% in case of FCCB-I and 6.65% in case of FCCB-II. During the year Nil (31.03.2010: 23,78,340) shares were allotted out of the FCCB-I consequent to conversion of balance Nil Bonds (31.03.2010: 60 bonds) aggregating to US$ Nil (31.03.2010 US$ 60 Lakhs). The balance bonds unless converted will be redeemed on 4th February, 2013 in respect of FCCB-II [The entire issue of 250 bonds relating to FCCB-I aggregating to US$ 250 Lakhs stand converted into equity shares as at 31.03.2010]

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

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

Particulars	As At 31. 03. 2011			As At 31. 03. 2010		
	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total
Opening Balance	-	**22,450.00**	**22,450.00**	3,130.46	26,087.15	29,217.61
Add: FCCB raised during the year.	-	-	-	-	-	-
Add: Foreign Exchange Loss (net)	-	**220.80**	**220.80**	-	-	-
Less: Foreign Exchange Gain (net)	-	-	-	689.16	3,637.15	4,326.31
Less: Converted into equity shares 31.03.2011: Nil bonds (31.03.2010: 60 Bonds face value of US$ 100,000 each)	-	-	-	2,441.30	-	2,441.30
Closing Balance	-	**22,670.80**	**22,670.80**	-	22,450.00	22,450.00

8. Sales :

Self Developed Software:

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

9. Sundry Debtors:

Sundry Debtors (Schedule 8) Considered Good, includes amount aggregating to Rs. 36,577.76 Lakhs which have been outstanding for more than six months. On account of the economic slowdown and consequent recessionary conditions in the global market there have been delays in recovery of such amounts and in respect of which necessary applications have been filed with the authorised dealers.Given the fact that the amounts are recoverable from customers with whom the Company, has a long standing relationship, management is confident of realising the amounts due and no provisions are required on these accounts at this stage.

10. Cash & Bank Balances:

a. Cash on Hand includes Rs. 0.26 lakhs (31.03.2010: Rs.0.40 lakhs) held in foreign currency.

b. Current Account with non-scheduled bank is as follows: (Rs. In Lakhs)

Bank	Balance As On		Maximum Balance Any Time During The Year	
	31. 03 .2011	31.03.2010	2010 - 11	2009-10
Bank of America	421.31	17.75	974.65	304.27

11. Inventories:

Finished goods inventory includes bought out software aggegating to Rs.314.13 Lakhs which has remained in stock for over a year. Management is confident of realising a sale value not lower than its current carrying cost and consequently, no provision has been made on this account.

12. Derivative Instruments:

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

Particulars	**As At 31. 3. 2011**		As At 31. 3. 2010	
	US Dollar (lakhs)	**Rupee Equivalent (lakhs)**	US Dollar (lakhs)	Rupee Equivalent (lakhs)
Amount Receivable on Account of				
Export of Goods	**1,273.37**	**57,736.65**	1,250.94	56,185.13
Other Receivables	**719.25**	**32,611.98**	707.38	31,761.17
Amount Payable on account of				
Import of Goods & Services	**245.25**	**11,118.67**	471.30	2,161.33
Capital Imports	**-**	**-**	11.16	500.91
Foreign Currency Convertible Bonds - FCCB	**500.00**	**22,670.80**	500.00	22,450.00
Redemption Premium on FCCB	**118.31**	**5,364.31**	79.15	3,554.05
Other Payables	**63.40**	**2,874.76**	62.66	2,813.28

13. 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 America Inc.	USA	100%
2. Bartronics Asia Pte Ltd.	Singapore	100%
3. ROI Public Relations Pvt Ltd.	India	62.5%
4. Bartronics Middle East FZE	UAE	100%
Subsidiaries of Bartronics America Inc.		
1. Empower Technology Solutions Inc	USA	100%
2. Exxova World Wide Corporation	USA	100%
3. Performica Software Private Limited	India	100%
Subsidiary of Bartronics Asia Pte Ltd.		
1. Bartronics Hongkong	Hong Kong	100%

2. **Key Management Personnel** - Mr Sudhir Rao - Managing Director

Mr. T.V. Rao - Director (till 29.01.2010)

Mr. S.T. Prasad - Director (till 29.01.2010)

Related Party Transactions : (Rs. In Lakhs)

	Subsidiaries		Key Management Personnel and their Relatives	
Transactions	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Sales				
Bartronics Asia Pte Ltd.	13.63	-	-	-
Bartronics Middle East FZE	1,658.30	-	-	-
Bartronics America Inc.	311.62	-	-	-
Empower Technology Solutions Inc.	52.70	-	-	-
Purchases				
Bartronics America Inc.	10,744.64	1,510.47	-	-
Bartronics Asia Pte Ltd.	0.57	-	-	-
Diminution in value of Investment.				
ROI Public Relations Pvt Ltd.	-	3.13	-	-
Advances Written-Off				
ROI Public Relations Pvt Ltd.	6.50	42.26	-	-
Advances to				
Bartronics America Inc.	531.91	426.20		-
ROI Public Relations Pvt Ltd.	6.50	21.20	-	-
Investment in Equity Shares				
Bartronics Middle East FZE.	18.96	-	-	-
Remuneration Paid				
Mr. Sudhir Rao	-	-	82.18	82.18
Mr. T.V. Rao	-	-	-	20.03
Mr. S.T. Prasad	-	-	-	26.66
Outstanding Balances as at March 31,2011				
Advances				
Bartronics America Inc.	23,046.11	22,288.53	-	-
Bartronics Asia Pte Ltd.	9,565.32	9,472.64	-	-
Bartronics Middle East FZE	0.54	-	-	-
Receivables				
Bartronics Asia Pte Ltd.	13.05	-	-	-
Bartronics America Inc.	52.48	-	-	-
Empower Technology Solutions Inc	69.80	-	-	-
Bartronics Middle East FZE	1,601.50	-	-	-
Payables				
Bartronics America Inc.	1,619.24	-	-	-

14. Disclosure as per Clause 32 of the Listing Agreement

Loans and Advances in the Nature of Advances Given To Subsidiaries: Rs. in Lakhs

Name of the Company	Relationship	Amount Outstanding As On 31. 03. 11	Maximum Balance Outstanding During the Year
Bartronics Asia Pte Ltd	Subsidiary	9,565.33 *9,472.64*	9,565.33 *11,007.32*
Bartronics America Inc	Subsidiary	23,046.11 *22,288.53*	23,046.11 *25,412.27*
ROI Public Relations Pvt Ltd	Subsidiary	- -	- *42.26*
Bartronics Middle East FZE	Subsidiary	0.54 -	19.50 -
Total		32,611.98 *31,761.17*	32,630.94 *36,461.85*

Figures in italics represent previous year's figures.

15. Managerial Remuneration Rs. in Lakhs

Particulars	2010-11	2009-10
Salaries & Allowances	82.09	128.65
Contribution to Provident Fund	0.09	0.22
Directors' Sitting Fees	1.35	1.30
Total	**83.53**	**130.17**

Note: The above figures exclude provision for gratuity and compensated absences which are actuarially valued for the Company as a whole and separate figures are not available.

16. Auditors' Remuneration Rs. in Lakhs

Particulars	2010-2011	2009-2010
Audit Fees	**32.50**	30.00
Limited Reviews*	**35.00**	15.00
Other Services	**25.00**	—
Total	**92.50**	45.00

*Includes Rs. 5 Lakhs of for the previous year.

The above excludes applicable service tax and cess thereon.

17. Segment Reporting

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

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

Particulars	Segment Revenue				Segment Assets			
	Sales				Debtors			
	2010-2011		2009-2010		As At 31.03.2011		As At 31.03.2010	
Hong Kong	18,228.07	30.53	33,209.61	57.25	30,192.04	51.17	35,108.91	61.67
UAE	13,237.11	22.17	14,482.96	24.97	15,262.89	25.87	15,365.26	26.99
USA	12,535.46	21.00	1,978.93	3.41	2,119.22	3.59	1,220.03	2.14
Others	12,601.44	21.10	4,510.94	7.78	10,162.50	17.22	4,490.93	7.89
Outside India	**56,602.08**	**94.80**	**54,182.44**	**93.41**	**57,736.65**	**97.85**	**56,185.13**	**98.69**
Within India	**3,102.93**	**5.20**	**3,828.78**	**6.59**	**1,265.30**	**2.15**	**746.97**	**1.31**
Total	**59,705.01**	**100.00**	**58,010.62**	**100.00**	**59,001.95**	**100.00**	**56,932.10**	**100.00**

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

Particulars	As At 31. 03. 2010	Movement During the Year	As At 31. 03.2011
Deferred Tax Liability:			
Relating to Fixed Assets	3,941.01	1,072.38	5,013.39
Total	**3,941.01**	**1,072.38**	**5,013.39**
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	12.21	144.06	156.27
Disallowances under Section 43B	11.99	9.41	21.40
Unabsorbed Depreciation	-	1,524.88	1,524.88
Total	**24.20**	**1,678.35**	**1,702.55**
Net Deferred Tax Liability	**3916.81**	**(605.97)**	**3,310.84**

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 and in the current year calculated at the regular tax rate enacted at the balance sheet date.

19. Earnings Per Share:

Particulars	2010-2011	2009-2010
Profit after Taxation (Rs. in Lakhs)	6,580.54	6,504.06
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	6,580.54	6,504.06
Weighted average number of equity shares used in computing Basic Earnings Per Share	34,048,861	30,643,757
Add: Effect of potential equity shares on conversion of FCCB and Warrants outstanding	186,45,098	12,456,757
Weighted average number of equity shares used in computing Diluted Earnings Per Share	52,693,959	43,100,514
Earnings per share – Face Value: Rs.10/- each		
- Basic	19.33	21.22
- Diluted	12.49	15.09

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

a. **Capacities & Production**

Particulars	Unit	2010-2011	2009-2010
		Installed Capacity	Installed Capacity
Smart Cards	Nos.	50,000,000	50,000,000
Magnetic Strip Cards	Nos.	30,000,000	30,000,000

Notes:

1. Licensed capacity is not applicable in terms of the Government of India Notification No. 477 (E) dated 25th July. 1991.
2. As certified by the Management, being a technical matter.

b. **Turnover, Opening and Closing stocks**

Particulars	Unit	2010-2011		2009-2010	
		Qty	Rs. in Lakhs	Qty	Rs. in Lakhs
Sales:					
A) Manufacturing					
i) Domestic Sales:					
Cards & RFID	Nos.	19,963,330	2,281.94	27,217,438	2,931.35
B) Export Sales:					
Value Added Software	-	-	6,880.31	-	12,787.40
Self Developed Software	-	-	12,618.94	-	17,468.33
Total			**19,499.25**		**30,255.73**
C) Trading Sales					
High Sea Sales	-	-	24,567.37	-	13,156.04
Others	-	-	596.96	-	9,517.61
Total			**25,164.33**		**22,673.65**
D) Services		**-**	**12,759.49**	**-**	**2,149.89**
Total			**59,705.01**		**58,010.62**
Opening Stock:					
Raw materials					
Cards & RFID	Nos.	1,335,689	458.44	2,619,024	646.78
Value Added software	-.	-	986.34	-	534.48
Stock in Progress					
Cards & RFID	-	-	127.97	-	16.79
Finished Goods					
Cards & RFID	Nos.	10,000	1.50	513,070	22.82
AIDC Hardware	-.	-	82.00	-	79.42
AIDC Software	-	-	314.13	-	-
Total			1,970.38		1,300.29
Closing Stock:					
Raw materials					
Cards & RFID	Nos/kgs.	2,385,497	412.57	1,335,689	458.44
Value Added software	-	-	950.08	-	986.34
Stock in Progress					
Cards & RFID	-	-	112.12	-	127.97
Finished Goods					
Cards & RFID	Nos.	-	-	10,000	1.50

AIDC Hardware	-	-	145.27	-	82.00
AIDC Software	-	-	314.13	-	314.13
Total			**1,934.17**		**1,970.38**

c. Purchase of Traded goods including High Sea Purchases

Particulars	2010-2011			2009-2010		
	Unit	Qty	Rs. in Lakhs	Unit	Qty	Rs. in Lakhs
High sea Purchases	-	-	20,482.38	-	-	10,187.38
Others	-	-	628.93	-	-	9,016.45
Total	**-**	**-**	**21,111.31**	**-**	**-**	**19,203.83**

d. Consumption of Raw Materials

Particulars	2010-2011			2009-2010		
	Unit	Qty	Rs. in Lakhs	Unit	Qty	Rs. in Lakhs
Cards & RFID	**Nos./Kgs**	19,964,990	1,819.00	**Nos./Kgs.**	27,267,480	2,488.35
Value Add Software	-	-	5,858.37	-.	-	1,0845.97
Total			**7,677.37**			**13,334.32**

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

Particulars	2010-2011		2009-2010	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials				
-Imported	5,858.37	76.31%	2,488.35	81.34%
-Indigenous	1,819.00	23.69%	10,845.97	18.66%
Total	**7,677.37**	**100%**	**13,334.32**	**100%**

f. CIF Value of Imports Rs. in Lakhs

Particulars	2010-2011	2009-2010
Raw Material	5,822.11	11,297.83
Goods for resale	20,482.38	18,649.27
Total	**26,304.49**	**29,947.10**

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

Particulars	2010-2011	2009-2010
FOB Value of Exports	44,066.62	52,249.36

h. Expenditure in Foreign Currency (on accrual basis) Rs. in Lakhs

Particulars	2010-2011	2009-2010
Foreign Travel	4.72	12.85

21. 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.

Rs. in Lakhs

Expenses recoginsed in statement of profit and loss account			
Particulars	**Gratuity**	**Compensated Absences**	**Total**
Current Service Cost	**10.45**	**14.25**	**24.70**
	4.62	*2.22*	*6.84*
Interest Cost	**2.79**	**0.44**	**3.23**
	1.11	*0.88*	*1.99*
Actuarial (Gains)/Losses	**(12.49)**	**4.25**	**(8.24)**
	27.48	*(0.43)*	*27.05*
Total expense included in the Statement of Profit & Loss	**0.75**	**18.94**	**19.69**
	33.21	*2.67*	*35.88*
Net Liability recognized in Balance Sheet			
Present Value of Defined Benefit Obligation	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*
Fair Value on Plan Assets	**-**	**-**	**-**
	-	-	-
Net Liability recognised in Balance Sheet	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	**46.47**	**7.25**	**53.72**
	18.59	*14.71*	*33.30*
Current Service Cost	**10.45**	**14.25**	**24.70**
	4.62	*2.22*	*6.84*
Interest Cost	**2.79**	**0.44**	**3.23**
	1.11	*0.88*	*1.99*
Actuarial (Gains)/Losses	**(12.49)**	**4.25**	**(8.24)**
	27.48	*(0.43)*	*27.05*
Benefits Paid	**(2.75)**	**(4.69)**	**(7.44)**
	(5.33)	*(10.13)*	*(15.46)*
Present Value of DBO at the End of Period/ Year	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*

Assumptions			
Interest / Discount Rate			**8.00%**
			6.00%
Rate of escalation in salary			**7.00%**
			10.00%
Attrition Rate			**4.00%**
			8.00%

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

Net Asset/(Liability) recognised in Balance Sheet					
Particulars	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
			Gratuity		
Present value of defined benefit obligation	44.47	46.47	18.59	13.96	9.24
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(44.47)	(46.47)	(18.59)	(13.96)	(9.24)
			Compensated Absences		
Present value of defined benefit obligation	21.5	7.25	14.71	20.72	7.25
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(21.5)	(7.25)	(14.71)	(20.72)	(7.25)

22. Current Income Tax:

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

23. The Company's significant leasing arrangements are in respect of operating leases for premises (offices, equipment's 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.

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

25. The Company was awarded the "Aapke Dwar" Project in 2009 by the Municipal Corproation of Delhi (MCD). The project envisages availment of various Government to Citizen (G2C) services. The Company is required to install and operate 2,000 kiosks at various location 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. 4,112.58 lakhs. Further amounts aggregating to Rs. 14,893.10 lakhs has been advaced 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.

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

For and on behalf of the Board

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place: Hyderabad
Date: 25.08.11

N.Sivalai Senthilnathan
Company Secretary

CONSOLIDATED AUDITED FINANCIAL ACCOUNTS

AUDITORS' REPORT

To The Board of Directors of

BARTRONICS INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of **BARTRONICS INDIA LIMITED ("the Company")** and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto in which are incorporated the Returns from a overseas branch audited by other auditors. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. Without qualifying our opinion, we invite attention to Note 21 of Schedule 20 forming part of the financial statements regarding the uncertainties relating to MCD - Aapke Dwar Project

4. We invite attention to:

   i) *Note 10 of Schedule 20 forming part of the financial statements regarding Sundry Debtors balance aggregating to Rs.36,577.76 Lakhs and in respect of which no provision has been made for reasons stated therein. We are unable to form an opinion on the extent to which the debts may prove irrecoverable*

   ii) *Note 11 of Schedule 20 regarding slow moving software inventory aggregating to Rs.314.13 Lakhs. We are unable to form an opinion on the appropriateness of the carrying cost of such items of inventory.*

5. We did not the audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of Rs. 25,510.85 Lakhs as at 31st March, 2011, total revenues of Rs. 28,134.35 Lakhs and net cash inflows amounting to Rs. 22.97 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

6. As stated in Note 1(a) of Schedule 20, the financials statements of a subsidiary, whose financial statements reflect total assets of Rs 25,053.23 Lakhs as at 31st March, 2011, total revenues of Rs.3,046.22 Lakhs and net cash outflows amounting to Rs 5.10 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements has been considered on the basis of unaudited financial statements prepared by the management;

7. As stated in Note 1(b) of Schedule 20, the financials statements of one subsidiary has not been considered in the preparation of Consolidated Financial Statements for reasons stated therein

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

9. Based on our audit and on the other financial information of the components and to the best of our information and according to the explanations given to us, and *subject to the effect of adjustments that may be required in respect of matters referred to in paragraph 4 above, the effect of which we have not been able to determine and paragraphs 6 and 7 above,* in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and

   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

C R Rajagopal
Partner
(Membership No.23418)

HYDERABAD, 25th August, 2011

Consolidated Balance Sheet As At 31 March 2011

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1		**3,404.89**	3,404.89
Share Warrants		5	**4,465.25**	4,465.25
Reserves and Surplus	2	6	**51,336.79**	43,419.03
			59,206.93	51,289.17
Loan Funds				
Secured Loans	3	7	**33,975.22**	39,594.13
Unsecured Loans	4	8	**24,721.97**	22,450.00
			58,697.19	62,044.13
Deferred Tax Liability (Net)		15	**3,531.59**	3,824.16
TOTAL			**121,435.71**	117,157.46
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block			**57,932.20**	57,516.45
Less: Accumulated Depreciation/Amortisation			**13,919.87**	7,695.41
Net Block			**44,012.33**	49,821.04
Capital work-in-progress		21	**19,401.65**	20,654.96
[(Includes Capital Advances Rs. 15,265.87 lakhs) (31.03.2010 Rs. 18,322.43 lakhs)]			**63,413.98**	70,476.00
Investments	6		**25.00**	—
Goodwill on Consolidation			**399.25**	—
Current Assets, Loans & Advances				
a. Inventories	7	11	**1,934.17**	1,970.38
b. Sundry Debtors	8	10	**76,228.84**	71,632.21
c. Cash and Bank Balances	9		**1,122.12**	1,496.42
d. Loans and Advances	10		**25,043.53**	16,370.20
			104,328.66	91,469.21
Less: Current Liabilities & Provisions	11			
a. Liabilities			**35,270.47**	36,640.66
b. Provisions			**11,460.71**	8,147.09
			46,731.18	44,787.75
Net Current Assets			**57,597.48**	46,681.46
TOTAL			**121,435.71**	117,157.46
Significant Accounting Policies and Notes	19 & 20			

The schedules referred to above form an integral part of Consolidated Balance Sheet
In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

A. B. S. Reddy
Director

Place: Hyderabad
Date : 25.08.2011

N. Sivalai Senthilnathan
Company Secretary

Consolidated Profit & Loss Account for the Year Ended 31st March, 2011

Rs. in Lakhs

Particulars	Schedule No	Note Reference Schedule 20	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME				
Gross Sales			**89,084.23**	81,851.15
Less: Excise Duty			**265.35**	147.52
Net Sales	12	9	**88,818.88**	81,703.63
Other Income	13		**943.12**	1,390.37
			89,762.00	83,094.00
EXPENDITURE				
Cost of Goods Sold	14		**50,583.49**	53,197.03
Manufacturing Expenses	15		**11,754.41**	580.95
Personnel Expenses	16		**2,863.29**	1,987.61
Administrative, Selling and Other Expenses	17		**3,173.17**	3,117.71
Interest & Finance Charges	18		**6,016.18**	4,375.40
Depreciation / Amortisation	5		**5,361.02**	4,850.54
			79,751.56	68,109.24
Profit Before Tax			**10,010.44**	14,984.76
Taxation				
- Current Tax [Net of excess provision written back of Rs.128.34 Lakhs (31.03.2010 Rs. 14.68 Lakhs relating to earlier years)]		18	**1,081.92**	2,130.41
- Deferred Tax		15	**(292.57)**	2,341.95
- MAT Credit Entitlement of earlier years			**(1,777.52)**	—
Profit After Tax			**10,998.61**	10,512.40
Balance brought forward from Previous Year			**18,350.75**	10,139.23
Less: Adjustment		19	**(880.05)**	(1,903.83)
Balance available for appropriations			**28,469.31**	18,747.80
Appropriations:				
- Proposed Dividend			**340.49**	340.49
- Dividend Distribution Tax			**56.55**	56.56
Balance Carried to Balance Sheet			**28,072.27**	18,350.75
Earnings per Share (Face Value of Rs.10 each) - Rs.				
Basic		16 & 19	**32.30**	34.31
Diluted			**20.87**	24.39
Significant Accounting Policies & Notes	19 & 20			

The schedules referred to above form an integral part of Consolidated Profit and Loss Account

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

C R Rajagopal
Partner

Place: Hyderabad
Date : 25.08.2011

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

A. B. S. Reddy
Director

N. Sivalai Senthilnathan
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2011

Rs. in Lakhs

	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before Taxation	**10,010.44**	14,984.76
	Adjusted for:		
	Wealth Tax	**0.85**	0.83
	Depreciation & Amortisation	**5,361.02**	4,850.54
	Fixed Assets Written Off	—	204.14
	Interest Income	**(18.10)**	(40.88)
	Interest Expense	**6,016.18**	4,375.40
	Unrealised Foreign Exchange Loss (Net)	**555.36**	(3,012.30)
	Subsidiaries Advances Written Off	**6.50**	42.26
	Provision for Diminution in the Value of Investments	—	3.13
	Loss on Sale of Fixed Assets (net)	—	2.44
	Adjustment of Previous Year Profits	—	(1,903.83)
	Operating Profit Before Working Capital Changes	**21,932.25**	19,506.49
	Changes in:		
	Trade and Other Receivables	**(9,761.90)**	(35,380.21)
	Inventories	**36.21**	(670.10)
	Trade and Other Payables	**(339.21)**	21,976.76
	Cash Generated From Operations	**11,867.35**	5,432.94
	Taxes Paid	**(2,435.73)**	(520.42)
	NET CASH FROM OPERATING ACTIVITIES (A)	**9,431.62**	4,912.52
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (after adjustment of Increase/Decrease in Capital Work in Progress)	**(2,454.78)**	(24,684.94)
	Refund of Capital Advances	**2,239.71**	—
	Sale of Fixed Assets	**0.15**	3.00
	Interest Received	**37.27**	19.66
	Advance to Subsidiary	**(6.50)**	—
	Investment in Current Investments	**(25.00)**	—
	Investment in Subsidiaries	**(392.73)**	(21.21)
	NET CASH (USED IN) INVESTING ACTIVITIES (B)	**(601.88)**	(24,683.49)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds From Long Term Borrowings	**1,990.12**	13498.16
	Repayment of Longterm Borrowings	**(8,446.48)**	(2823.59)
	Proceeds from Working Capital Borrowings (Net)	**964.85**	3,355.08
	Proceeds from Unsecured Loans (Net)	**2,051.17**	—
	Interest & Finance Charges Paid	**(5,373.40)**	(4,161.85)
	Proceeds From Issue of Equity Capital	—	269.31
	Proceeds From Issue of Share Warrants	—	4,465.25
	Securities Premium Received	—	5,634.69
	Dividend Paid (Including Distribution tax)	**(390.30)**	(352.93)
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES (C)	**(9,204.04)**	19,884.12

	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
D.	Effects of exchange differences on translation of foreign currency cash & cash equivalents (D)	—	1.01
	NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(374.30)**	114.16
	Cash And Cash Equivalents As At The Beginning Of The Year	**1,496.42**	1,382.26
	Cash And Cash Equivalents As At The End Of The Year	**1,122.12**	1,496.42

Notes:

1. The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements notified in Section 211(3C) of the Companies Act, 1956.
2. Cash and Cash Equivalents include Rs 223.25 lakhs (31.03.2010: Rs. 466.24 lakhs) in Deposits lodged with Banks against guarantees/ letter of credit issued.
3. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
4. Figures in bracket represents cash outflow.
5. Schedules 19 and 20 form an integral part of the Consolidated Cash Flow statement.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C R Rajagopal
Partner

Sudhir Rao
Managing Director

A. B. S. Reddy
Director

Place: Hyderabad
Date : 25.08.2011

N. Sivalai Senthilnathan
Company Secretary

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2011

Rs. in lakhs

Particulars		Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 1: Share Capital				
Authorised				
110,000,000 Equity Shares of Rs.10/- each			**11,000.00**	11,000.00
Issued, Subscribed & Paid Up				
34,048,861 Equity Shares of Rs.10/- each (Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 lakhs from the Profit and Loss account)			**3,404.89**	3,404.89
			3,404.89	3,404.89
Schedule 2: Reserves and Surplus				
Securities Premium Account		6		
Balance as per last accounts			**24,943.28**	18,007.80
Add: Premium on Conversion of FCCB's			**—**	2,425.91
Less: Premium on Redemption of FCCB's			**1,810.26**	1,125.12
Add: Premium on Preferential Allotment of Equity Shares			**—**	5,634.69
	(a)		**23,133.02**	24,943.28
General Reserve				
Balance as per last accounts			**125.00**	125.00
	(b)		**125.00**	125.00
Capital Reserve (arising on consolidation)	(c)		**6.50**	—
Profit and Loss Account	(d)		**28,072.27**	18,350.75
	(a+b+c+d)		**51,336.79**	43,419.03
Schedule 3: Secured Loans				
1) From Banks		7		
Term Loans*			**13,229.91**	21,387.23
Working Capital Loans				
Rupee Loan			**13,094.37**	12,373.84
Foreign Currency Loan			**2,874.76**	2,813.28
2) From Financial Institution				
Term Loans			**3,000.00**	3,000.00
3) From Others				
Equipment and Vehicle Loans			**1,776.18**	19.78
*[includes interest and due of Rs.306.69 lakhs (31.03.2010:Rs.251.24 lakhs)]			**33,975.22**	39,594.13
Schedule 4: Unsecured Loans				
Foreign Currency Convertible Bonds-FCCB's		8	**22,670.80**	22,450.00
Others			**2,051.17**	—
			24,721.97	22,450.00

Schedules forming part of the Consolidated Balance Sheet as at 31st March 2011

Schedule 5: Fixed Assets

Rs in Lakhs

Particulars	Gross Block (At Cost)				Accumulated Depreciation / Amortisation				Net Block	
	As At 01.04.10	**Additions**	**Deletions/ Adjustments**	**As At 31.03.11**	**As At 01.04.10**	**For the Year**	**Deletions/ Adjustments**	**As At 31.03.11**	**As At 31.03.11**	**As At 31.03.10**
Tangible Assets										
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	303.84	-	-	303.84	13.08	10.15	-	23.23	280.61	290.76
Plant And Machinery	7,122.97	4.48	-	7,127.45	868.14	527.91	-	1,396.05	5,731.40	6,254.83
Electrical Installation	399.19	27.55	-	426.74	51.85	33.10	-	84.95	341.79	347.34
Computers	11,036.50	112.74	5.16	11,144.08	2,477.54	1,784.89	5.01	4,257.42	6,886.66	8,570.17
Office Equipment	49.08	19.91	6.45	62.54	27.86	4.04	6.45	25.45	37.09	21.22
Furniture& Fixtures	320.32	37.82	5.15	352.99	183.50	35.79	-	219.29	133.70	125.61
Vehicles	173.94	169.48	-	343.42	84.97	20.92	5.15	100.74	242.68	88.97
Leasehold Improvements	-	47.92	-	47.92	-	1.78	-	1.78	46.14	-
Intangible Assets										
Goodwill	13,453.90			13,453.90	-	-	-	-	13,453.90	13,453.90
Patents	6,875.75		-	6,875.75	-	880.05	-	880.05	5,995.70	6,875.75
Intellectual Property Rights	119.82	-	-	119.82	15.92	11.98	-	27.90	91.92	103.90
Software	17,619.22	12.61	-	17,631.83	3,972.55	2,930.46	-	6,903.01	10,728.82	13,646.67
Total	**57,516.45**	**432.51**	**16.76**	**57,932.20**	**7,695.41**	**6,241.07**	**16.61**	**13,919.87**	**44,012.33**	**49,821.04**
Less: Adjustment (Refer Note 19 of Schedule 20)						**880.05**				
Net Depreciation for the year						5,361.02				
Previous Year	*50,337.93*	*8,368.95*	*1,190.43*	*57,516.45*	*3,825.71*	*4,850.54*	*980.84*	*7,695.41*	*49,821.04*	

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2011

Rs. in lakhs

Particulars	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 6: Investments (at cost unless otherwise specified)			
a) In Subsidiary-Long Term-Unquoted (No. of Equity Shares / Face Value)			
- ROI Public Relations Pvt Ltd — 31,250 — INR 10		**3.13**	3.13
Less: Provision for diminution in Value of Investment	1(b)	**(3.13)**	(3.13)
b) Current Investments -Quoted (At lower of Cost and Fair Value)			
In PNB- Principal Large Cap Fund- Growth Plan 94,804.702 Units Purchased during the year		**25.00**	—
		25.00	—
Aggregate Book Value of Quoted Investments		**25.00**	—
Aggregate Market Value of Quoted Investments		**27.62**	—
Aggregate Book Value of Unquoted Investments		**—**	—
Schedule 7: Inventories (At Lower of Cost and Net Realisable Value)			
Raw Materials			
Manufacturing		**412.57**	458.44
Export Software		**950.08**	986.34
Stock in Progress		**112.12**	127.97
Finished Goods	11	**459.40**	397.63
		1,934.17	1,970.38
Schedule 8: Sundry Debtors: (Unsecured)			
Debts Outstanding for a period exceeding six months	10		
Considered good		**45,113.86**	27,004.87
Considered Doubtful		**534.60**	252.04
Other Debts			
Considered Good		**31,114.98**	44,627.34
		76,763.44	71,884.25
Less: Provision for Doubtful Debts		**(534.60)**	(252.04)
		76,228.84	71,632.21
Of the above: Considered Good		**76,228.84**	71,632.21
Considered Doubtful		**534.60**	252.04
Schedule 9: Cash and Bank Balances			
Cash on Hand		**2.66**	6.03
Cheques on Hand		**—**	1.48
Balances with Scheduled Banks			
- On Deposit Accounts*		**223.25**	466.24
- On Current Accounts		**50.88**	605.52
- Unclaimed Dividend Account		**9.57**	2.82
Balances with Non Scheduled Bank			
- On Current Account		**835.76**	414.33
*(Pledged with Banks against guarantees and Letter of Credit issued)		**1,122.12**	1,496.42

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2011

Rs. in lakhs

Particulars	Note Reference Schedule 20	As At 31.03.2011	As At 31.03.2010
Schedule 10: Loans and Advances (Unsecured)			
Advances recoverable in cash or in kind for value to be received			
- Suppliers		**12,587.83**	11,489.46
- Others		**3,828.19**	934.35
- Deposits		**3,570.89**	3,068.77
Advance Tax and Tax Deducted at Source		**2,634.70**	339.22
MAT Credit Receivable		**1,777.52**	—
Interest receivable		**7.62**	26.79
Prepaid Expenses		**589.08**	525.26
Balance with Customs & Excise Authorities		**61.78**	0.43
		25,057.61	16,384.28
Less: Provision for Doubtful Advances		**(14.08)**	(14.08)
		25,043.53	16,370.20
Of the above: Considered Good		**25,043.53**	16,370.20
Considered Doubtful		**14.08**	14.08
Schedule 11: Current Liabilities & Provisions			
A) Liabilities			
Sundry Creditors			
Due to Micro Enterprises & Small Enterprises		**—**	—
Due to Other than Micro Enterprises & Small Enterprises			
- For Goods & Services		**32,493.09**	34,688.97
- For Capital Expenses		**211.11**	1,246.97
Other Liabilities		**103.34**	161.92
Advances from Customers		**2,392.59**	517.93
Unclaimed Dividend - Refer Note		**9.57**	2.82
Interest Accrued but not due on term loans		**60.77**	22.05
		35,270.47	36,640.66
Note: There are no amounts outstanding and due as at 31 March 2011 and as at 31 March 2010 to be credited to Investor Education and Protection Fund.			
B) Provisions			
Proposed Dividend		**340.49**	340.49
Dividend Distribution Tax		**56.55**	56.56
Provision for premium payable on redemption of FCCBs		**5,364.31**	3,554.05
Provision for Taxation		**4,905.51**	3,472.88
Fringe Benefit Tax		**727.88**	669.39
Employee Benefits	17	**65.97**	53.72
		11,460.71	8,147.09

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

Rs. in lakhs

Particulars	Note Reference Schedule 20	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule 12: Sales			
A) Exports - Software			
Value Added		**6,880.31**	23,395.10
Self Developed	9	**12,618.94**	17,468.33
Sub Total		**19,499.25**	40,863.43
B) Manufacturing		**2,281.94**	2,931.35
C) Trading			
High Sea Sales		**24,567.37**	13,156.04
Others		**27,028.93**	22,602.92
Sub Total		**51,596.30**	35,758.96
D) Services		**15,441.39**	2,149.89
		88,818.88	81,703.63
SCHEDULE - 13 : Other Income			
Interest on deposits (gross) (Tax deducted at Source Rs. 2.09 lakhs . 31.03.2010: Rs. 4.38 lakhs)		**18.10**	40.88
Exchange Gain (Net)		**837.20**	578.36
Liabilities no longer required written back		**—**	473.24
Provision no longer required written back (net)		**—**	164.05
Miscellaneous income		**87.82**	133.84
		943.12	1,390.37
Schedule 14 : Cost of Goods Sold			
Raw Material Consumed			
Manufacturing			
Opening stock		**458.44**	646.78
Purchases		**1,773.13**	2,300.01
Closing stock		**412.57**	458.44
(a)		**1,819.00**	2,488.35
Export Software			
Opening stock		**986.34**	534.48
Purchases		**27,662.84**	20,848.44
Closing stock		**950.08**	986.34
(b)		**27,699.10**	20,396.58
Trading- Purchases			
High Sea Purchases		**20,482.38**	21,702.22
Others		**628.93**	9,016.45
(c)		**21,111.31**	30,718.67
Total (a+b+c) A		**50,629.41**	53,603.60
(Increase)/Decrease in Stock			
Closing Stock			
Stock in Progress		**112.12**	127.97
Finished Goods		**459.40**	397.63
		571.52	525.60
Opening Stock			
Stock in Progress		**127.97**	16.79
Finished Goods		**397.63**	102.24
		525.60	119.03
Total B		**(45.92)**	(406.57)
Total A+B		**50,583.49**	53,197.03

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

Rs. in lakhs

Particulars	Note Reference Schedule 20	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule 15 : Manufacturing Expenses			
Factory Maintenance		**12.88**	24.45
Power & Fuel		**42.62**	46.08
Repairs & Maintenance		**6.92**	9.71
Service Related Expenses		**78.91**	—
Sub- Contracting Charges		**11,613.08**	500.71
		11,754.41	580.95
Schedule 16: Personnel Expenses			
Salaries and Wages		**2,631.02**	1,738.41
Contribution to Provident, Gratuity and other funds		**53.92**	51.44
Directors Remuneration		**82.09**	128.65
Staff Welfare Expenses		**96.26**	69.11
		2,863.29	1,987.61
Schedule 17: Administrative, Selling and Other Expenses			
Rent	20	**458.15**	564.49
Advertisement Expenses		**140.57**	22.85
Donations		**113.45**	—
Electrical Charges		**27.91**	25.86
Insurance		**179.12**	251.13
Rates & Taxes		**15.64**	120.81
Printing & Stationery		**54.09**	109.53
Communication Expenses		**114.23**	62.17
Travelling & Conveyance		**473.99**	370.67
Legal & Professional Fees		**348.93**	658.80
General Expenses		**158.42**	241.95
Bank Charges		**101.31**	112.08
Directors Sitting Fees		**1.35**	1.30
Auditor's Remuneration	13	**94.85**	46.33
Foreign Exchange Fluctuation Loss (Net)		**360.19**	—
Provision for Doubtful Debts/Advances /Deposits		**394.25**	225.34
Provision for diminution in value of investment		**—**	3.13
Doubtful Advances/Deposits/Fixed Assets written off		**79.78**	235.65
Loss on Sale of Assets (Net)		**—**	2.44
Repairs & Maintenance-Others		**56.75**	57.28
Freight Outwards		**0.19**	5.90
		3,173.17	3,117.71
Schedule-18 : Interest & Finance Charges			
Interest on Term Loans		**2,988.74**	2,110.60
Interest on Working Capital Loans		**2,101.53**	1,721.43
Interest on Taxes		**535.95**	270.66
Finance Charges		**389.96**	272.71
		6,016.18	4,375.40

SCHEDULE: 19 SIGNIFICANT ACCOUNTING POLICIES

1. Principles of Consolidation

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

a. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.

b. The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2011.

c. The excess of cost to the Company, of its investment in the subsidiaries over the Company's share of equity is recognised in the financial statements as Goodwill.

d Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the Company.

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

i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.

e. Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

f. In case of foreign subsidiaries, being integral operations, revenue items are consolidated at yearly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Foreign subsidiaries being integral, exchange gain/ (loss) arising on consolidation is recognized as Foreign Exchange Fluctuation gain/ (loss).

g. Intra-group balances and intra- group transactions and resulting unrealised profit/loss have been eliminated.

h. The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

2. Investment in subsidiary not considered for consolidation has been accounted as per Accounting Standard 13- "Accounting for Investments" notified by Companies (Accounting Standard) Rules, 2006.

3. Basis of preparation of financial statements.

a) The Consolidated 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 Section211(3C) of the companies Act, 1956.

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 pro-rata on straight line method as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except in respect of the following fixed assets where the rates applied are higher than the rates prescribed in Schedule XIV of the Companies Act, 1956:-

Plant & Machinery	7.42%
Electrical Installations	7.42%

Subsidiaries:

Fixed assets are depreciated 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	10.00%
Software	16.67%

Subsidiaries:

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

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 Compannies 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 recongised 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.

SCHEDULE : 20

Notes to Accounts

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

Name of the Entity	Country of Incorporation	Ownership in % either directly or through subsidiaries
Bartronics America Inc.	USA	100%
Bartronics Asia Pte Ltd.	Singapore	100%
Bartronics Middle East FZE	UAE	100%
ROI Public Relations Private Limited	India	62.5%

a. In respect of the Bartronics America Inc subsidiary, the consolidation has been made on the basis of unaudited consolidated accounts compiled by the management.

b. In respect of a subsidiary Company, ROI Public Relations Private Limited, the financial statements of the Company is not considered for consolidation as there are no transactions in the Company and provision has been made for diminution in the value of investment.

2. **Contingent Liabilities:**

Rs. In Lakhs

Particulars	As At 31. 03. 2011	As At 31. 03. 2010
Counter Guarantees Given To Banks Towards:		
-Bank Guarantees Issued	**497.97**	71.38

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

Disputed Taxes	As At 31. 03. 2011	As At 31. 03. 2010
Income Tax	**297.74**	225.16
Sales Tax	**54.25**	—

4. Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.15,265.87 lakhs (31.03.2010 Rs. 18,322.43 lakhs)] Rs.29,643.67 lakhs (31.03.2010: Rs. 26,734.64 lakhs)

5. **Share Warrants:**

The Company has issued 6,300,000 Convertible Share Warrants of Rs 10 each at a premium of Rs. 222 per warrant belonging to the promoter and promoter group and 2,000,000 Compulsory Convertible Warrants of Rs.10 each at a premium of Rs.152.25 per warrant to non-promoter group during February, 2010.These are convertible into equity shares at a later date but before expiry of 18 months from the date of issue in one or more tranches. As per the terms of issue, the Company has received 25% value of the Compulsory Convertible Warrants aggregating to Rs.4,465.25 Lakhs.

6. **Reserves & Surplus:**

Securities Premium:

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

Particulars	**As At 31. 03. 2011**	**As At 31. 03. 2010**
Opening Balance	**24,943.**28	**18,007.80**
Add: Premium on conversion of FCCB into equity shares:- [31.03.2011 Nil(31.03.2010 :US$ 60 Lakhs FCCB and conversion premium thereon of Rs 219.94 Lakhs (equivalent to 5.40 Lakhs USD) converted into 23,78,340 Equity Shares @ Rs.112/-)]	-	2,425.91
Add: Premium on preferential allotment of equity shares [31.03.2011: Nil (31.03.2010:Premium on allotment of 22,00,000 Preferential equity Shares @Rs.222 per share to Promoter and Promoter Group and 493,065 Preferential Equity Shares @ 152.25 per share to Non-Promoter Group	-	5,634.69
Sub Total	**24,943.28**	**26,068.40**
Less: Premium Payable on redemption of FCCB	**1,810.26**	1,125.12
Closing Balance	**23,133.02**	**24,943.28**

b As stated in Significant Accounting Policies No. 15 of Schedule 20, the Company charges the premium payable on redemption of Foreign Currency Convertible Bonds to the securities premium account over the life of the bond. Had the Company provided the full liability of premium payable on redemption of bonds in terms of the provisions of Accounting Standard-29 'Provisions, Contingent Liabilities & Contingent Assets' in Securities Premium Account in the year of issue, the additional liability would have been Rs.3,581.92 Lakhs (31.03.10 Rs 5,305.05 Lakhs).

7. **Secured Loans:**

I. **Term Loans:**

a) Term loans availed from banks and financial institution are secured by:

- Equitable mortgage of the Company's immovable property at Raj Bollaram Village.
- First pari passu charge on all fixed assets, present and future and pari passu second charge on all the current assets both present and future.
- The personal guarantees of certain promoters.

b) Amounts repayable within twelve months in respect of Term Loans: Rs.6,024.01 Lakhs (31.03.2010: Rs. 4,114.25 Lakhs)

II. **Working Capital Loans:**

- Working Capital loans availed from banks are secured by:
- First pari-passu charge on all the movable properties both present and future including without its limitation its stock in trade, receivables, investments, deposits and other movables.
- First pari passu charge on all the current assets and pari passu second charge on all the moveable fixed assets of the Company.
- The personal guarantees of certain promoters.

III. **Hire Purchase Loans:**

a. Equipment and Vehicle loans from others are secured by hypothecation of equipments/ vehicles acquired out of the said loans.

b. Amounts repayable within twelve months in respect of equipment/vehicle loans: Rs. 468.95 Lakhs (31.03.2010: Rs 7.52 Lakhs).

8. **Unsecured Loans:**

Foreign Currency Convertible Borrowings (FCCB):

The Company raised US$ 25 Million ('FCCB-I') on 09.06.2007 and US$ 50 Million ('FCCB-II') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds. Bond holders have an option to convert each bond of US$ 100000 into shares of Rs. 10/- each at the conversion price of Rs.140/- in respect of the FCCB-I and at the conversion price of Rs.290/- in respect of FCCB-II. The bonds are redeemable with a yield to maturity of 7.25% in case of FCCB-I and 6.65% in case of FCCB-II. During the year Nil (31.03.2010: 23,78,340) shares were allotted out of the FCCB-I consequent to conversion of balance Nil Bonds (31.03.2010: 60 bonds) aggregating to US$ Nil (31.03.2010 US$ 60 Lakhs). The balance bonds unless converted will be redeemed on 4th February, 2013 in respect of FCCB-II [The entire issue of 250 bonds relating to FCCB-I aggregating to US$ 250 Lakhs stand converted into equity shares as at 31.03.2010]

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

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

Particulars	As At 31. 03. 2011			As At 31. 03. 2010		
	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total	FCCB-I (Redeemable in 2012)	FCCB-II (Redeemable in 2013)	Total
Opening Balance	**-**	**22,450.00**	**22,450.00**	**3,130.46**	**26,087.15**	**29,217.61**
Add: FCCB raised during the year.	-	-	-	-	-	-
Add: Foreign Exchange Loss (net)	-	220.80	220.80	-	-	-
Less: Foreign Exchange Gain (net)	-	-	-	689.16	3,637.15	4,326.31
Less: Converted into equity shares 31.03.2011: Nil bonds (31.03.2010: 60 Bonds face value of US$ 100,000 each)	-	-	-	2,441.30	-	2,441.30
Closing Balance	**-**	**22,670.80**	**22,670.80**	**-**	**22,450.00**	**22,450.00**

9. **Sales:**

Self Developed Software

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

10. **Sundry Debtors:**

Sundry Debtors (Schedule 8) Considered Good, includes amount aggregating to Rs. 36,577.76 Lakhs which have been outstanding for more than six months. On account of the economic slowdown and consequent recessionary conditions in the global market there have been delays in recovery of such amounts and in respect of which necessary applications have been filed with the authorised dealers.Given the fact that the amounts are recoverable from customers with whom the Company, has a long standing relationship, management is confident of realising the amounts due and no provisions are required on these accounts at this stage.

11. Inventories:

Finished goods inventory includes bought out software aggegating to Rs.314.13 Lakhs which has remained in stock for over a year. Management is confident of realising a sale value not lower than its current carrying cost and consequently, no provision has been made on this account.

12. 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. Subsidiary

Subsidiary ofthe Group	Country of Incorporation	Percentage of Ownership Interest
1. ROI Public Relations Pvt Ltd.	India	62.5%

2. Key Management Personnel

Mr. Sudhir Rao – Managing Director
Mr. T.V. Rao – Director (till 29.01.10)
Mr. S.T. Prasad – Director (till 29.01.10)

Related Party Transactions: Rs. in Lakhs

	Subsidiary		Key Management Personnel	
Transactions	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Diminution in value of Investment				
ROI Public Relations Pvt Ltd.	**-**	3.13	**-**	-
Advances Written-Off				
ROI Public Relations Pvt Ltd.	**6.50**	42.26	**-**	-
Advances to				
ROI Public Relations Pvt Ltd.	**6.50**	21.20	**-**	-
Remuneration Paid				
Mr. Sudhir Rao	**-**	-	**82.18**	82.18
Mr. ST Prasad	**-**	-	**-**	26.66
Mr. TV Rao	**-**	-	**-**	20.03

13. Auditors' Remuneration Rs. in Lakhs

Particulars	2010-2011	2009-2010
Audit Fees	**32.50**	30.00
Limited Reviews*	**35.00**	15.00
Other Services	**25.00**	—
Auditor's of Subsidiaries		
Audit Fees	**2.35**	1.33
Total	**94.85**	46.33

*Includes Rs. 5 Lakhs for the previous year.
The above excludes applicable service tax and cess thereon.

14. Segment Reporting

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

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

Particulars	2010-2011	2009-2010
Segment Revenue		
- Within India	3,102.93	3,828.18
- Outside India	85,715.95	77,875.45
Total Revenue	**88,818.88**	**81,703.63**
Segment Assets		
- Within India	61,644.71	62,551.81
- Outside India	106,522.18	99,393.40
Total Assets	**168,166.89**	**161,945.21**
Segment Liabilities		
- Within India	23,714.85	14,361.12
- Outside India	23,016.33	30,426.63
Total Liabilities	**46,731.18**	**44,787.75**
Capital Expenditure		
Tangible Assets:		
- Within India	346.39	6,405.25
- Outside India	73.51	154.72
Intangible Assets:		
- Within India	12.61	1,087.15
- Outside India	—	721.83
Total Capital Expenditure	**432.51**	**8,368.95**

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

Particulars	As At 31. 03. 2010	Movement During the Year	As At 31. 03. 2011
Deferred Tax Liability:			
Relating to Fixed Assets	3,941.01	1,412.20	5,353.21
Total	**3,941.01**	**1,412.20**	**5,353.21**
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	104.86	170.48	275.34
Disallowances under Section 43B	11.99	9.41	21.40
Unabsorbed Depreciation	-	1,524.88	1,524.88
Total	**116.85**	**1,704.77**	**1,821.62**
Net Deferred Tax Liability	**3,824.16**	**(292.57)**	**3,531.59**

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

16. Earnings Per Share:

Particulars	2010-2011	2009-2010
Profit after Taxation (Rs. in Lakhs)	10,998.61	10,512.40
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	10,998.61	10,512.40
Weighted average number of equity shares used in computing Basic Earnings Per Share	34,048,861	30,643,757
Add: Effect of potential equity shares on conversion of FCCB and Warrants outstanding	186,45,098	12,456,757
Weighted average number of equity shares used in computing Diluted Earnings Per Share	52,693,959	43,100,514
Earnings per share – Face Value: Rs.10/- each		
- Basic	32.30	34.31
- Diluted	20.87	24.39

17. 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.

Rs. in Lakhs

Expenses recognised in statement of profit and loss account			
Particulars	**Gratuity**	**Compensated Absences**	**Total**
Current Service Cost	**10.45**	**14.25**	**24.70**
	4.62	*2.22*	*6.84*
Interest Cost	**2.79**	**0.44**	**3.23**
	1.11	*0.88*	*1.99*
Actuarial (Gains)/Losses	**(12.49)**	**4.25**	**(8.24)**
	27.48	*(0.43)*	*27.05*
Total expense included in the Statement of Profit & Loss	**0.75**	**18.94**	**19.69**
	33.21	*2.67*	*35.88*
Net Liability recognized in Balance Sheet			
Present Value of Defined Benefit Obligation	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*
Fair Value on Plan Assets	**-**	**-**	**-**
	-	-	-
Net Liability recognised in Balance Sheet	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Year	**46.47**	**7.25**	**53.72**
	18.59	*14.71*	*33.30*
Current Service Cost	**10.45**	**14.25**	**24.70**
	4.62	*2.22*	*6.84*
Interest Cost	**2.79**	**0.44**	**3.23**
	1.11	*0.88*	*1.99*

Actuarial (Gains)/Losses	**(12.49)**	**4.25**	**(8.24)**
	27.48	*(0.43)*	*27.05*
Benefits Paid	**(2.75)**	**(4.69)**	**(7.44)**
	(5.33)	*(10.13)*	*(15.46)*
Present Value of DBO at the End of Year	**44.47**	**21.50**	**65.97**
	46.47	*7.25*	*53.72*

Assumptions	
Interest / Discount Rate	**8.00%**
	6.00%
Rate of escalation in salary	**7.00%**
	10.00%
Attrition Rate	**4.00%**
	8.00%

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.

Net Asset/(Liability) recognised in Balance Sheet					
Particulars	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
	Gratuity				
Present value of defined benefit obligation	44.47	46.47	18.59	13.96	9.24
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(44.47)	(46.47)	(18.59)	(13.96)	(9.24)
	Compensated Absences				
Present value of defined benefit obligation	21.50	7.25	14.71	20.72	7.25
Fair value of plan assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(21.50)	(7.25)	(14.71)	(20.72)	(7.25)

18. Current Income Tax:

Current tax represents income tax payable on the book profits computed under Section 115JB of the Income Tax Act, 1961 for the Company and as per relevant tax laws for the foreign operation in the countries in which they are domiciled.

19. Adjustment represents the difference in the net profit after tax between management accounts and audited account of the previous year relating to a subsidiary to the extent of Rs. 880.05 lakhs (31.03.2010 : Rs. 1,903.83 lakhs). Had this amount been accounted as current year expenditure the profit after tax would have been lower by Rs. 880.05 lakhs (31.03.2010: Rs. 1,903.83 lakhs). The basic and diluted earnings per share would be lower by Rs. 2.58 and Rs.1.67 respectively.

20. 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.

21. The Company was awarded the "Aapke Dwar" Project in 2009 by the Municipal Corproation of Delhi (MCD). The project is envisages availment of various Government 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. 4,112.58 lakhs. Further amounts aggregating to Rs. 14,893.10 lakhs has been advaced 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.

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

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

N. Sivalai Senthilnathan
Company Secretary

Place: Hyderabad
Date: 25.08.11

BALANCE SHEET ABSTRACT AND COMPANY`S GENERAL BUSINESS PROFILE

(Amount in Lakhs)

I	**REGISTRATION DETAILS**	
	CIN Number	L29309AP1990PLC011721
	Balance Sheet	31.03.2011
	State Code	01
II	**CAPITAL RAISED DURING THE YEAR**	
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III	**POSITION OF MOBILISATION OF AND DEPLOYMENT OF FUNDS**	
	Total Liabilities	115101.29
	Total Assets	115101.29
	Sources of Funds	
	Paid up Capital	3404.89
	Share Application Money	4465.25
	Reserves & Surplus	45223.12
	Deferred Tax Liability	3310.84
	Secured Loans	33975.22
	Un-Secured Loans	24721.97
	Application of Funds	
	Net Fixed Assets	24190.87
	Capital Work in Progress	19401.65
	Investments	248.94
	Net Current Assets	71259.83
	Misc. Expenditure	NIL
	Accumulated Losses	NIL
IV	**PERFORMANCE OF THE COMPANY**	
	Total Turnover	60617.69
	Total Expenditure	55431.58
	Profit before Tax	5186.11
	Profit after Tax	6580.54
	Earnings per Share in Rs.	
	- Basic	19.33
	- Diluted	12.49
	Dividend rate %	10%
V	**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)**	
	ITEM CODE (IT CODE NO.)	N.A.
	PRODUCT DESCRIPTION	COMPUTER SOFTWARE

BARTRONICS INDIA LIMITED

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

Regd. Folio No. :..................................... No.of Shares Held :....................................

PROXY FORM

I/We .... resident(s)

of.. being a member / members of BARTRONICS

INDIA LIMITED hereby appoint Mr./Mrs..

of .... or failing him / her ....

of... as my / our proxy to attend and vote for me / us on my / our bahalf at the 20th Annual General Meeting of the Company to be held on Thursday, September 29, 2011 at 11.00 A.M. and at any adjournment thereof.

Signed this the .... day of... 2011

Signature ....

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

PROXY NEED NOT BE A MEMBER

BARTRONICS INDIA LIMITED

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

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

ATTENDANCE SLIP
(20th 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 20th Annual General Meeting to be held on held (on Thursday, September 29, 2011, at 11.00 A.M. at Survey No. 351, Raj Bollaram Village, Medchal Mandal, R.R. Dist., Andhra Pradesh-501 401)

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

Member's / Proxy's Signature

BOOK-POST

If undelivered please return to:

BARTRONICS INDIA LIMITED

Corporate Office:
8-2-120/77/4B, Beside NTR Bhavan, Road No. 2, Banjara Hills, Hyderabad - 500 034. A.P., India.
Phone : +91-40-23606316 / 17 **Fax** : +91-40-23558076 **Website** : www.bartronicsindia.com

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