BARTRONICS
making businesses work

Bartronics India Limited

22nd
ANNUAL
REPORT

2012-2013

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Shri S. Sudhir Rao. Managing Director Shri A. B. Satyavas Reddy, Director Shri K. Udai Sagar, Independent Director Shri A. Subrahmanyam, Nominee Director (EXIM Bank)
MANAGEMENT COMMITTEE	:	Shri S. Sudhir Rao, Chairman Shri K. Udai Sagar, Member
AUDIT COMMITTEE	:	Shri K. Udai Sagar, Chairman Shri A. B. Satyavas Reddy, Member Shri A. Subrahmanayam, Member
SHARE TRANSFER COMMITTEE	:	Shri A. B. Satyavas Reddy, Chairman Shri S. Sudhir Rao, Member Shri K. Udai Sagar, Member
REMUNERATION COMMITTEE	:	Shri K. Udai Sagar, Chairman Shri A. B. Satyavas Reddy, Member Shri A. Subrahmanayam, Member
COMPLIANCE OFFICER	:	Shri S. Sudhir Rao, Managing Director
AUDITORS	:	M/s T. Raghavendra & Associates Chartered Accountants No.22, Krishna Apartments, 5th Floor, Tilak Road, Abids, Hyderabad - 500 001.

REGISTERED OFFICE :
Survey No. 351, Raj Bollaram village
Medchal Mandal, R.R. Dits
Andhra Pradesh 501 401
Website: www.bartronics.com

CORPORATE OFFICE :
Plot No. 283, Road No. 78
Near Padmalaya Studio, Opp. Gemini Color Lab
Jubliee Hills, Hyderabad – 500 033

LISTING : EQUITY
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)
5th Floor, Exchange Plaza
Bandra (E), Mumbai - 400 051

BANKERS :
Andhra Bank
Bank of Baroda
Bank of India
Barclays Bank
Exim Bank
HSBC Bank Limited
IDBI Bank Limited
Indian Bank

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

NOTICE OF 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Monday, December 30, 2013 at 11.00 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 of the Company as at September 30, 2013 and the Statement of Profit & Loss for the year ended September 30, 2013 and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Shri A. B. Satyavas Reddy who retires by rotation and who being eligible offers himself for re-appointment.

3. To appoint M/s T. Raghavendra & Associates (Membership No. 023806), 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:

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

   "RESOVLED that Shri K. Udai Sagar, who was appointed as an Additional Director of the Company with effect from May 14, 2013 and holds office upto the date of this Annual General Meeting of the Company, be and is hereby appointed as a director of the Company under Section 257 of the Companies Act, 1956 who shall be liable to retire by rotation".

BY ORDER OF THE BOARD

For BARTRONICS INDIA LIMITED

Place: Hyderabad **S. SUDHIR RAO**

Date: November 29, 2013 MANAGING DIRECTOR

Notes:

1. 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.

2. 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.

3. Members/proxies should bring their duly filled attendance slips sent herewith for attending the Annual General Meeting.

4. 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.

5. The Register of Members and Share Transfer books of the Company will remain closed during the period from December 28, 2013 to December 30, 2013 (Both the days inclusive).

6. 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.

7. 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/ Depositor y 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 : www.bartronics.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 PUSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT 1956:

4. Shri K. Udai Sagar was appointed as an Additional Director of the Company at the Meeting of Board of Directors of the Company held on May 14, 2013 and he holds office upto the date of ensuing Annual General Meeting of the Company.

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

   For bringing in cross border investments and technology, The Economic Times (a lead Indian Business Paper) named him as the Millennium Man 2000.

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

   Notice required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing the appointment of Shri K. Udai Sagar as Director. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day.

   Your directors recommended the resolution for your approval.

   None of the directors except Shri K. Udai Sagar is interested or concerned in the aforesaid resolution.

Additional Information:

Details of the Directors seeking appointment/re-appointment at the 22nd Annual General Meeting (Pursuant to clause 49 of the listing agreement)

Name of Director	A.B.Satyavas Reddy
Date of Birth	15.05.1963
Expertise in specific functional areas	Shri A.B. Satyavas Reddy is a Mechanical Engineer from Osmania University and has rich experience in the engineering industry. Shri Satyavas Reddy is the Promoter Director of Bartronics India Limited.
Qualifications	Mechanical Engineer
Directorship held in other public companies (excluding foreign companies)	Satya Straps and Packing Technologies Limited
Membership/Chiarmanship of Committees of other public companies (includes only Audit Committees and Shareholders'/Investors' Grievance Committee) C-Chairman, M-Member	Nil
Shareholdings in the Company	3.09%

DIRECTORS' REPORT

To The Members,

Your Directors have the pleasure in presenting the 22nd Annual Report together with the Audited Accounts for the Financial Year ended on September 30, 2013 comprising of Twelve (12) months from 01.10.2012 to 30.09.2013.

COMPANY PERFORMANCE

Your Directors herby report that the Company has achieved a turnover of Rs 21645 lakhs upto September 30, 2013, consisting of Twelve (12) months, as against the turnover of Rs. 119696 lakhs for the previous year ended September 30, 2012 consisting of Eighteen (18) months. The highlights of the financial results are given below:

CONSOLIDATED FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	**Year 2012-13**	Year 2011-12
Net Sales	**15,325.8**	116,320.3
Other Income	**6,319.0**	3,375.6
Total Income	**21,644.8**	119,695.9
Total Expenditure	**16,917.3**	111,726.8
EBIDTA	**4,727.5**	7,969.1
Interest	**5,046.7**	7,345.9
PBDT	**(319.2)**	623.2
Depreciation & Amortization	**(5,308.9)**	(7,341.4)
PBT	**(5,628.0)**	(6,718.2)
Tax Expense	**(2,410.3)**	(418.9)
PAT	**(3,217.8)**	(7,137.1)
Appropriation as under :		
Transfer to General Reserve	--	--
Proposed Dividend	--	--
Tax on Dividend	--	--
Proposed Dividend	--	--

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 September 30, 2013 out of FCCB 2013 issue	Outstanding FCCBs as on September 30, 2013 (In Millions US$)
Nil	50

The Foreign Currency Convertible Bonds (FCCB's) are listed on the Singapore Stock Exchange, these bonds got matured in February 2013. In this regard the company had filed a request for an extension of the maturity of the bonds to November 2013 with Reserve Bank of India which was granted by them vide their letter dated October 30, 2013. In order to conclude discussions with its bondholders, the Company is in the process of filing a request for further extension of the maturity of the bonds.

CHANGES TO SHARE CAPITAL

At present the Authorized Share Capital of the Company stands at Rs. 110 crores and the paid up capital stands that 34.04 crores there has been no change in the share capital during the year ended September 30, 2013.

SUBSIDIARY COMPANIES

Your Company has two subsidiary companies viz., Bartronics Asia Pte. Limited and Bartronics Middle East FZE and five step down subsidiary companies viz., Cloudeeva Inc., (formerly known as Bartronics America Inc), Bartronics Hongkong Ltd, Bartronics Global Solutions Limited, Veneta Holding Ltd and Burbank Holdings Ltd.

BARTRONICS ASIA PTE LIMITED

The Company was incorporated as a wholly owned subsidiary of Bartronics India Limited on 14th June 2007, in the Republic of Singapore with a Share Capital of US$ 769500. Bartronics Asia Pte Limited (BAPL) acquired the only issued share of Cason

Limited on December 21, 2007; subsequently the name of the Company was change to Bartronics Hong Kong Limited with effect from 15th October 2008. In the month of April 2011, BAPL acquired the only share of Veneta Holdings Limited, Mauritius making it its wholly owned subsidiary. BAPL had during the previous financial period incorporated another subsidiary in Mauritius named Burbank Holding Limited. During this financial year Bartronics Asia Pte Ltd. acquired 51% stake in Systems America Inc. in a share swap agreement. As a result, Bartronics America Inc. ownership was transferred to Systems America Inc. Prior to this acquisition, Bartronics America Inc. got re-named as mCloud Inc. which reflected the company's interest in mobile & cloud computing.

BARTRONICS MIDDLE EAST FZE

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

CONSOLIDATED FINANCIAL STATEMENTS:

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statement has been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Companies Act. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Head Office in Hyderabad and that of the subsidiary companies concerned. A gist of the financial performance of the subsidiary Companies is contained in the report.

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

COMPANY OVERVIEW

Presently your Company offers the following business activities:

- Providing solutions using umbrella of AIDC technologies and smart card manufacturing.
- Financial Inclusion Division for implementing the FI projects as per the guidelines of RBI.
- Providing solutions in Radio Frequency Identification and Data Capture (RFID) Technology.

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

DIRECTORS

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

During the year Shri K. Udai Sagar has been appointed as an additional director of the Company w.e.f. May 14, 2013.

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.

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

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of

particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report is given below:

A. CONSERVATION OF ENERGY:

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

f)	Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company has planned expansion of export markets.
g)	Total foreign exchange used and earned.	Earning Rs. 114.64 Lakhs Outgo Nil

FORM A

(See Rule 2)

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

Electricity - purchased for manufacture of ingots and re-rolled products:

	2012-2013	2011-2012
Units (KWH)	**176520**	367392
Total amount (Rs.)	**2228198**	2298538
Rate/units (Rs)	**12.62**	6.26
Diesel		
Units (KWH)	0	21009
Total amount (Rs.)	0	309712
Rate/units (Rs)	0	14.36

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 include RFID Tags, Cards manufacturing and personalization

Benefit derived as a result of the above R & D are include a) New products are contactless RFID b) both revenue and profit maximization

Future plan of Action: Completion of product development action in automatic RFID line

Technology Absorption, Adoption and Innovation

1.	Efforts in brief made towards technology absorption, adoption and innovation		:	New product of RFID development
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction product development, import substitution.		:	Improvement in sales and margins.
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.		:	Nil
	a)	Technology imported		
	b)	Year of import		
	c)	Has technology been fully absorbed		
	d)	If not fully absorbed, areas where this has not taken place, reasons here of and future plans of action.		

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. T. Raghavendra & Associates, 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 Shri 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 2012-13.

A Certificate from the Managing Director that all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the period ended September 30th, 2013 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 from the Operating Management confirms that:

a. In the preparation of Annual Accounts, the applicable accounting standards have been made from the same;

b. They have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates 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 loss of the Company for that period;

c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the 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 "on going concern basis".

LISTING OF COMPANY'S SECURITIES

Your Company's Shares are presently listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), Mumbai.

DEMATERIALIZATION OF SHARES

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

FIXED DEPOSITS

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

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

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

The Statutory Auditor's of the Company have made the following comments in their report for the period ended September 30th, 2013.

Auditors Comments:

"Without qualifying our opinion, we invite attention to Note no 48 forming part of the financial statements regarding the uncertainties relating to MCD Project – "Apke Dwar Project"

Company Explanation

Bartronics filed a case before the Honorable High Court of Delhi, against the Municipal Corporation of Delhi: The Company was awarded project "Aapke Dwar" in the year 2009 by the Municipal Corporation of Delhi (MCD). The project envisages installation of 2000 Kiosks at various locations in Delhi for providing various Government to Citizen (G2C) services and Business to Consumers (B2C) services. As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,426.34 Lakhs (2010-2011 : Rs. 4,112.58 Lakhs). Further amounts aggregating to Rs. 13,474.47 Lakhs (2010–2011 : Rs. 14,893.10 Lakhs) has been advanced for work to be carried out. In view of the unseemly delays in the allocation of sites by the MCD, the Company has filed a petition before the Honorable High Court of Delhi, against the Municipal Corporation of Delhi.

The case has been referred to Arbitration by the Hon'ble High Court of Delhi.

"Note 17 forming part of the financial statements regarding the Trade Receivables balance aggregating to Rs.97,646.74 Lakhs (including Rs.94721.98 Lakhs relating to the period prior to September 30th, 2012) and in respect of which no provision has been made .In the absence of the required information, we are unable to form an opinion on the extent to which the debts may be irrecoverable".

Company Explanation

As stated in Note 17 forming part of financial statements, on account of economic slowdown and consequent recessionary conditions in the global markets there have been delays in realization of debtors. These sundry debtors have 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 these stage.

"Note 14 forming part of the financial statements regarding the non repayment of FCCB amounting to Rs.31,426 Lakhs which has fallen due as of February 2013 and the company has defaulted the payments even after the expiry of extended time sought by it from the RBI".

Company Explanation:

Bartronics India Ltd. had issued Foreign Currency Convertible Bonds (FCCB) for an aggregate sum of USD 50mn in January 2008. These bonds got matured in February 2013. In this regard the company had filed a request for an extension of the maturity of the bonds to November 2013 with Reserve Bank of India which was granted by them vide their letter dated October 30, 2013. In order to conclude discussions with its bondholders, the Company is in the process of filing a request for further extension of the maturity of the bonds.

The company has also appointed M/s Avista Advisory Group to assess all the options available with the company and finalize best suited approach in order to address the maturity. The options available with the company include restructuring the bonds i.e. rolling over the bonds for next five years or replacing the bonds with fresh bonds, or redeeming all the bonds at a mutually agreeable price. With these available options; the Company, along with M/s Avista Advisory Group has got in touch with the bondholders and has initiated discussions which are at advanced stages now. The company is confident of arriving at a consensus with the bond holders shortly.

"Note 48 of the accompanying financial statements, which explain the payment of managerial remuneration amounting to 82.18 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956, during the year ended September 30, 2013".

Company Explanation:

The remuneration committee of the Company has taken note of this observation and has adviced Company to obtain requisite approvals.

ACKNOWLEDGEMENT:

The Directors thank the Company's employees, customers, vendors, investors and academic institutions for their support.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments/ Agencies for their co-operation.

The Directors appreciate and value the contributions made by shareholders for their undoughted faith in the Company.

By Order of the Board

For Bartronics India Limited

Place: Hyderabad	**S. Sudhir Rao**	**A.B. Satyavas Reddy**
Date: 29.11.2013	Managing Director	Director

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

Key Developments

Indian Operations:

Last year like every other company, your company also had to face challenging business environment in both global and domestic markets which is reflected by the fact that the Gross Domestic Product (GDP) and Real Gross Domestic Product (Real GDP) of the country has been constantly coming down. Although government has taken initiatives to support the economy, the benefits of these steps are yet to be experienced at the grass root level. Management believes that your company was able to face these challenges successfully and tide over difficult times keeping worst behind us.

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

Outstanding FCCBs:

The Company had raised US$ 50 Million ('FCCB') on 04.01.2008 which got matured during the current financial year. The company had sought extension to the maturity of the bonds from Reserve Bank of India to enable discussions with the bondholders and arrive at consensus in order to address the maturity of the bonds and the Reserve Bank of India granted this request for the extension for the maturity of the bonds. Currently, your company is in discussions with the bondholders and the management is confident that an amicable solution will arrived at shortly.

International Operations:

The company had started international operations in order to have access to vast opportunities which are being provided. Although these operations too faced challenging business environment, your company has used this as an opportunity to strengthen its operations. Apart from scouting for newer geographies and penetrating deeper into existing ones; your company has also initiated to establish a common platform across all the operations across the globe which will have knowledge base of implementing projects. This will enable seamless sharing of knowledge and experience within the operations while ensuring that the 'wheel is not invented twice' which is expected to reduce implementation time of the projects. These initiatives are aimed at enhancing user experience in process of adding more value to the customer.

Future Growth:

Management has identified the following growth drivers

A) Identification Solutions: With the consolidation of business around quality clients, your

company expects to grow at a much faster rate after the period of consolidation

B) eGovernance & Smart Card Manufacturing: The company has emerged as a market leader in the Financial Inclusion space. Clearly, this gives the company with clear earnings visibility for next five years coupled with higher growth rate.

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

Human Capital

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

Research and Development:

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

SWOT Analysis:

Strengths and Opportunities:

Your Company's strength lies thoroughly in providing end to end solutions using most of the AIDC technologies. Apart from in-house Research and Development Center; your company has strong relationship with technology majors which help your company gain access to the latest of the technology which is available for commercial use. Your company being India's only and one of few companies in the world to provide End to End solutions has resulted in lions share for the company in the domestic market. Even in the Financial Inclusion space; your company has come out as a dominant player with the prestigious project getting implemented in many villages through your company. However, technologies under AIDC are still in acceptance stage in the country which has lot of room for deeper penetration of existing markets and also expansion into newer markets/ geographies. These provide huge potential for your company. Financial Inclusion as an initiative of the Government of Indian and Reserve Bank of India are still in the early stages of the implementation in the country. It still needs to reach wider spectrum of citizens of India. Your company, already being a dominant player in this space identifies this as a potential growth opportunity. The projects won by the company are currently under implementation. Implementation cycle was divided into various stages and currently these have successfully entered transaction stage – the last phase after crossing testing stage successfully. Having entered this stage, the revenues generated by the company will be directly proportional to the number of transactions done by the citizen of respective villages. Management is aware that this is still early times and citizen may take some more time to be comfortable with the services offered. However, with time, as the volume of transactions increase, company will surely see healthy rise in its revenues.

Risks and Concerns:

1. **Technology Obsolescence**

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

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

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

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

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

4. **Global Competition**

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

Risk Mitigation:

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

Discussion on financial performance with respect to operational performance:

Your Directors herby report that the Company has achieved a turnover of Rs 21645 lakhs upto September 30, 2013, consisting of Twelve (12) months, as against the turnover of Rs. 119696 lakhs for the previous year ended September 30, 2012 consisting of Eighteen (18) months. The highlights of the financial results are given below:

CONSOLIDATED FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	**Year 2012-13**	Year 2011-12
Net Sales	**15325.82**	116320.33
Other Income	**6319.00**	3375.57
Total Income	**21644.82**	119695.90
Total Expenditure	**16917.29**	111726.83
EBIDTA	**4727.53**	7969.07
Interest	**5046.69**	7345.90
PBDT	**(319.16)**	623.17
Depreciation & Amortization	**5308.87**	7341.37
PBT	**(5628.04)**	(6718.20)
Tax Expense	**(2410.25)**	(418.91)
PAT	**(3217.79)**	(7137.11)

Segment wise product wise performance of the company:

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

Internal Control Systems:

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

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

REPORT OF CORPORATE GOVERNANCE: ANNEXURE – C

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

Brief statement on Company's 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.

Your Company's Board of Directors consists of Four (4) members and the composition of the Board is as follows:

- One Whole Time Director
- One Promoter Director
- One Independent Directors
- One Nominee Director

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 2012-13, four meetings of the Board of Directors were held on the following dates:

November 24th , 2012; February 13; 2013; May 14, 2013 ; August 14, 2013

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 Directo-rships (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	4	Nil	Yes
Mr. A.B. Satyavas Reddy	Promoter Non Executive	7	1	2	No
Mr. A. Subrahmanyam	Nominee Director (EXIM Bank)	Nil	4	Nil	NA
Mr. Udai Sagar K*	Independent Director	3	1	2	NA
Mr. M.M.Yesaw#	Indepent Director	Nill	4	Nill	Yes
Mr. Y. Raghavendra Rao##	Independent Director	2	2	Nill	Yes
Mr. R. V. Panchapakesan##	Independent Director	Nill	3	2	Yes

*Mr. Udai Sagar became an Independent Director of the company on May 14, 2013.
Mr. M. M. Yesaw ceased to be director of the company w.e.f August 14, 2013
Mr. Y. Raghavendra Rao and Mr. R. V. Panchapakesan ceased to be a Director w.e.f. May 14, 2013

Change in Composition of Board of Directors since the date of last AGM held on 24.12.2012 up to the date of this Report.

The Board accepted the resignation of Mr. Y. Raghavendra Rao, Mr. R. V. Panchapakesan and Mr. M. M. Yesaw at its meetings held on May 14, 2013 and August 14, 2013 respectively. Mr. K. Udai Sagar was appointed as a Independent Director w.e.f May 14, 2013.

Board Committees

Audit Committee

Composition:

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

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

S. No.	Name of Director	Position	Nature of Directorship
1.	Mr. Udai Sagar	Chairman	Independent Director
2.	Mr. A. Subrahmanyam	Member	Nominee Director
3.	Mr. A.B. Satyavas Reddy	Member	Promoter – Non Executive Director

Mr. A. Subrahmanyam has been appointed as Member of the Audit Committee with effect from 29th November, 2013.

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 and seek 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 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 2012-13, four meetings of the Audit Committee were held on the following dates:

November 24th , 2012; February 13; 2013; May 14, 2013 ; August 14, 2013.

Number of meetings held during the financial period : 4

Sl. No.	Name of Director	No. of Meetings Attended
1.	Mr. Y. Raghavendra Rao	2
2.	Mr. A. B. Satyavas Reddy	1
3.	Mr. R. V. Panchapakesan	3
4.	Mr. M. M. Yesaw	3
5.	Mr. K. Udai Sagar	1

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 one Independent Director, one Promoter Non Executive Director and Nominee Director. Members of the Committee are Mr. K. Udai Sagar, Mr. A.B. Satyavas Reddy and Mr. A. Subrahmanayam.

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 and whole time Directors.

1. Details of Remuneration to the Executive Directors paid/ payable for the period:

Name of Director	Basic Salary (Rs)	Allowances (Rs.)	Perquisites (Rs)	Total (Rs)
Mr. S. 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.

3. 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. S. Sudhir Rao and Mr. K. Udai Sagar.

ii) Shareholders Grievance Committee

As a measure of Good Corporate Governance and to focus on the Shareholder's Grievances and towards strengthening investor's 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. S. Sudhir Rao, Managing Director

Mr. K. Udai Sagar, Independent Non Executive Director

Details of shareholders' complaints received and resolved during the year 2012-13

The total numbers of complaints/ correspondence received and replied to the satisfaction of the shareholders during the 12 months period ended on September 30, 2013 were Six (6). There were no outstanding complaints as on September 30, 2013. No shares were pending transfer as on September 30, 2013.

Compliance Officer:

The Board has designated Mr. S. Sudhir Rao, Managing Director of the Company as the Compliance Officer w.e.f May 17, 2013.

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

No special resolution was passed through ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on December 30, 2013.

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 Section 33 to the Annual Accounts for the period ended September 30, 2013.

2. **Details of Statutory non-compliances**

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

3. **Management Discussion and Analysis Report**

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

4. **Clause 49(I)(D): Code of conduct**

   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 2012-13.

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

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently and comply with material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956. Significant Accounting policies are provided elsewhere in the Annual Report.

6. **Clause 49(IV)(E):**

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

b. None of the Non-Executive Directors hold shares in the Company.

7. **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.

8. **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.

9. **Means of communication**

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

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

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

10. **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).

General Shareholders' Information

Annual General Meeting

Date: December 30, 2013

Time: 11.00 AM

Venue: Survey No. 351, Raj Bollaram village, Medchal Mandal, Ranga Reddy Dist. Andhra Pradesh – 501 401

Financial year: 2012-13 (Constituting 12 months from September 2012 to September 2013)

Book Closure Date: From December 28, 2013 to December 30, 2013 (Both days inclusive)

Dividend Payment Date: NA

Listing of equity shares on stock exchanges

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

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

The Company has paid the annual listing fees to each of the above stock exchanges for the financial years 2012-13 & 2013-14.

Listing of FCCBs

The FCCBs of the Company are listed on the Singapore Stock Exchange.

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

Market Price Data:

BSE

Month	High Price	Low Price	Close Price	No. of Shares
Oct-12	28.00	21.10	23.85	1093882
Nov-12	28.00	20.00	22.65	1524044
Dec-12	33.05	20.00	25.70	4601823
Jan-13	32.00	22.00	22.15	1210424
Feb-13	23.10	15.10	15.20	1216635
Mar-13	17.00	8.75	9.10	2247790
Apr-13	12.11	9.10	9.43	450065
May-13	9.80	7.57	7.71	369157
Jun-13	8.00	6.21	6.36	301106
Jul-13	7.67	5.55	5.72	378575
Aug-13	6.64	4.95	5.90	240238
Sep-13	7.80	5.80	7.02	237074

NSE

Month	High Price	Low Price	Close Price	No. of Shares
Oct-12	26.70	23.00	23.95	1907451
Nov-12	25.80	22.35	22.55	2648525
Dec-12	28.70	22.35	25.75	8734167
Jan-13	28.35	22.20	22.30	2411311
Feb-13	23.00	15.00	15.15	2245619
Mar-13	15.95	8.90	9.15	5464289
Apr-13	12.15	9.20	9.50	955264
May-13	9.95	7.65	7.75	582137
Jun-13	8.15	6.20	6.35	507018
Jul-13	7.70	5.60	5.70	581923
Aug-13	6.80	4.90	5.85	456083
Sep-13	7.95	5.70	7.05	512938

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. The address is given below:

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 306, Right Wing, 3rd Floor, Amrutha Ville, Opp : Yashoda Hospital Somajiguda, Raj Bhavan Road Hyderabad – 500082 Tel : 040-2337 4967

Distribution of Shareholding as on September 30, 2013

Shareholding of Nominal Value (in Rupees)	No. of Shareholders	% of Shareholders (Percentage)	No. of Shares Held	% of Shareholding (Percentage)
Upto – 5000	50152	85.54	6998514	20.55
5001-10000	4460	7.60	3600483	10.57
10001-20000	2042	3.48	3127286	9.18
20001-30000	738	1.25	1912954	5.61
30001-40000	347	0.59	1250850	3.67
40001-50000	274	0.46	1295092	3.80
50001-100000	368	0.62	2715095	7.97
100001 – Above	247	0.42	13148587	38.61
Total	58628	100.00	34048861	100.00

Pattern of shareholding as on September 30, 2013 (Face Value: Re.10 each)

Category	Number of Shares	Percentage %
Promoter and Promoter Group	4269190	12.55
Financial Institutions/Banks	1461675	4.30
Foreign Institutional Investors	1500	0.00
Body Corporate	3910232	11.48
Indian Public	22715777	66.72
Clearing Members	42267	0.12
Non resident Indians	1644470	4.83
Trust	3150	0.00
State Government	0	0.00
Foreign Company	500	0.00
Overseas Corporate Bodies	100	0.00
Total	34048861	100.00

Dematerialization of shares

99.99% of the Company's Paid-up capital is in dematerialized mode. The details are as follows:

Held in dematerialized form in NSDL	24365562	71.5606
Held in dematerialized form in CDSL	9680507	28.4312
Physical Form	2792	0.0082
	34048861	100.00

Outstanding convertible instruments

1. 500 Foreign Currency Convertible Bonds were outstanding for conversion as on 30.09.2013.

2. 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

To,
Compliance Officer
Survey No. 351,
Raj Bollaram Village
Medchal – 501401
Ranga Reddy District
Andhra Pradesh
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 September 30, 2013, 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
FCS No: 5783
CP No: 5360

Place: Hyderabad
Date : November 29, 2013

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 period 2012-13.

For BARTRONICS INDIA LIMITED

Place: Hyderabad
Date: November 29, 2013

S. SUDHIR RAO
MANAGING DIRECTOR

Annexure F

CEO & CFO CERTIFICATION

We, S. Sudhir Rao, Managing Director and A. Chand Basha, Vice-President Finance and Accounts, to the best of our knowledge and belief, do hereby certify that

1. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

3. We accept the responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

As required by Sub Clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial period ended September 30, 2013, that the Company has complied with the requirements mentioned in the said sub clause.

For Bartronics India Limited

Place: Hyderabad
Date: November 29, 2013

S. SUDHIR RAO
Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of Bartronics India Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Bartronics India Limited ("the Company"), which comprise the Balance sheet as at September 30, 2013, and the Statement of Profit and Loss, and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

1. Without qualifying our opinion, we invite attention to Note no 47 forming part of the financial statements regarding the uncertainties relating to MCD Project – "Apke Dwar Project"

2. We invite attention to: Note 17 forming part of the financial statements regarding the Trade Receivables balance aggregating to Rs.97,646.74 Lakhs (including Rs.94721.98 Lakhs relating to the period prior to September 30th, 2012) and in respect of which no provision has been made .In the absence of the required information, we are unable to form an opinion on the extent to which the debts may be irrecoverable.

3. Note 14 forming part of the financial statements regarding the non repayment of FCCB amounting to Rs.31,426 Lakhs which has fallen due as of February 2013 and the company has defaulted the payments even after the expiry of extended time sought by it from the RBI.

4. Attention is invited to Note 48 of the accompanying financial statements, which explain the payment of managerial remuneration amounting to 82.18 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956, during the year ended September 30, 2013

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the above comments and annexure referred to in para 1 below and notes on accounts, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;

ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

iii) In the case of the cash Flow Statement, for the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) The un-audited accounts of the overseas branch has been forwarded to us as certified by the management and have been dealt with by us in preparing this report.

c) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

f) On the basis of written representations received from the directors as on September 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies act, 1956.

g) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For T.Raghavendra & Associates
Chartered Accountants
FRN: 003329S

T.Raghavendra
Mem. No. 023806

Place: Hyderabad
Date: 29th November 2013

Annexure referred to in our report of even date on the accounts for the period ended 30th September 2013

i. 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 the fixed assets.

b. Some of the fixed assets were physically verified, in phases, by the Management during the year as per the regular program of verification, which in our opinion is not reasonable having regard to the size of the company and the nature of its assets. In respect of the assets at third party locations, confirmations have been received. In view of the fact that the fixed assets register is in the process of re-construction, management has informed that discrepancies, if any, arising between the assets verified and the book records would be dealt with in the period in which such re-construction of the register is completed.

c. The assets disposed off during the period in our opinion are not substantial and therefore do not affect the going concern status of the company.

ii. a. As explained to us, the stock of raw materials, stores and finished goods other than in transit have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.

b. In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory 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 the company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been property dealt with in the books of account.

iii. According to the information and explanations given to us, the company has neither granted nor taken any loans from the companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956.

iv. In our opinion and according to the information and explanations given to us, the internal control procedures are inadequate, commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and needs to be strengthened so as to be commensurate with the current size of the Company and the nature of its business and services. Except for the above we have not observed any other continuing failure to correct major weakness in the internal control system.

v. a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register.

b. In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the period by Rupees five lakhs in respect of each party have been made at prices which are reasonable and in respect of which no comparable quotations were available and hence unable to comment.

vi. The company does not have any internal audit system, which in our opinion, is commensurate with its size and nature of its business.

vii. The Company has not maintained the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956

viii. a) According to the information and explanations given to us and the records of the company examined

by us, the company is generally irregular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, customs Duty, Excise Duty, and other material statutory dues as applicable with the appropriate authorities with frequent delays in deposit of dues.

b) According to the information and explanations given to us, the undisputed amounts payable in respect of the aforesaid dues were outstanding as at 30th September, 2013 for a period of more than six months from the date becoming payable are as follows:

Nature of the Dues	Financial Year	Rs. In Lakhs	Remarks	Pending Before
Income Tax	2008-09	128.85		Asst to be completed
Income Tax	2010-11	1.95	Self Asst Tax	Asst to be completed
Provident Fund	2012-13	48.02	Paid In October 2013	

c) According to the information and explanations given to us and the records of the company examined by us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

Nature of the Dues	Financial Year	Rs. In Lakhs	Remarks	Pending Before
Income Tax	2007-08	1297.67	Regular Tax demand u/s 143 (3)	ITAT
Fringe Benefit Tax	2007-08	667.66		CIT (Appeals)
Value Added tax	2007-08	7.96		Deputy Commissioner
Value Added tax	2008-09	31.82		Deputy Commissioner
Value Added tax	2009-10	53.74		Deputy Commissioner
Value Added tax	2010-11	17.39		Deputy Commissioner
Center Sales Tax	2007-08	16.83		Deputy Commissioner

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not paid principal, and interest of 11,088.32 lakhs and 4,112.79 lakhs respectively to banks and financial institutions as at the balance sheet date Details as follows :

Rupees in lakhs

Sl. No	Name of the Bank / Financial Institutions	Installment Type	Principal Overdue	Interest Overdue	Due Since (No. of installments)
1.	Andhra Bank	Monthly	3,657.15	982.68	24
2.	Bank Of Boarda	Quarterly	798.59	514.39	6
3.	Bank of India	Quarterly	2,791.08	897.89	8
4.	Indian bank	Quarterly	832.82	387.12	9
5.	HSBC	Monthly	404.42	89.87	4
6.	LIC	Quarterly	1,570.80	1,031.32	11
7.	HP Financial Services	Quarterly	1,033.46	209.52	9
	Totals		**11,088.32**	**4,112.79**	

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

xi. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year but incurred cash losses in the financial year immediately proceeding such financial year.

xii. According to the information and explanations given to us and an overall examination of the balance sheet of the company, we report that no funds raised on a short-term basis which have been used for long-term investment, and vice versa.

xiii. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

For T.Raghavendra & Associates
Chartered Accountants
FRN 003329S

Place: Hyderabad
Date : 29-11-2013

T.Raghavendra
Mem 023806

BALANCE SHEET AS AT 30 SEPTEMBER 2013

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 30 Sep 2013	For the Previous Reporting Date 30 Sep 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	**3,404.89**	3,404.89
b) Reserves and surplus	4	**29,613.03**	33,271.61
		33,017.91	36,676.50
2 Non- Current Liabilities			
a) Long-term borrowings	5	**1,545.51**	3,575.41
b) Deferred tax liabilities (net)	6	**2,359.57**	3,693.34
c) Other non current liabilities			
d) Long term Provisions	7	**202.13**	156.30
		4,107.20	7,425.05
3 Current Liabilities			
a) Short-term borrowings	8	**27,684.84**	18,338.89
b) Trade payables	9	**25,932.82**	25,456.65
c) Other current liabilities	10	**55,000.10**	45,806.30
d) Short-term provisions	11	**15,314.20**	17,048.68
		123,931.96	106,650.52
TOTAL		**161,057.07**	150,752.08
II. ASSETS			
1 Non- Current Assets			
a) Fixed assets			
i) Tangible assets	12 A	**7,669.68**	9,987.33
ii) Intangible Assets	12 B	**4,338.33**	7,159.37
iii) Capital work in progress		**1,340.56**	1,555.54
		13,348.57	18,702.24
b) Non-current investments	13	**30,217.99**	30,217.99
c) Long-term loans and advances	14	**15,008.36**	13,976.69
Good will on consolidation		**58,574.92**	62,896.92
2 Current Assets			
a) Current investments	15		-
b) Inventories	16	**543.30**	507.84
c) Trade receivables	17	**97,646.74**	80,188.91
d) Cash and bank balances	18	**340.72**	319.08
e) Short-term loans and advances	19	**595.33**	3,410.97
f) Other current assets	20	**3,356.07**	3,428.36
		102,482.16	87,855.16
TOTAL		**161,057.07**	150,752.08

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

T.Raghavendra
(Mem No. 023806)

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place : Hyderabad
Date : 29th November 2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

Rupees in Lacs

	Particulars	Note No	For the year ended 30 Sep 2013	For the Eighteen months period ended 30 Sep 2012
I.	**Revenue**			
	Revenue from operations (gross)		**5,080.62**	55,761.65
	Less: Excise duty		**36.77**	141.12
	Revenue from operations (net)	21	**5,043.85**	55,620.53
	Other income	22	**6,319.00**	3,115.34
	Total revenue		**11,362.85**	58,735.87
II.	**Expenses**			
	Cost of materials consumed	23 A	**284.43**	4,357.03
	Purchase of stock-in-trade	23 B	**3,776.66**	36,524.60
	Change in inventories of finished goods work in progress and stock- in-trade	23 C	**(14.89)**	332.01
	Employee benefits expense	24	**863.10**	2,609.22
	Finance costs	25	**5,046.14**	7,344.55
	Depreciation and amortisation expense	12A&12B	**5,276.84**	7,231.53
	Other expenses		**1,004.49**	12,137.26
	Total expenses		**16,236.77**	70,536.20
III.	**Profit / (Loss) before tax (I-II)**		**(4,873.93)**	(11,800.33)
IV.	**Tax expense:**			
	a) Current tax expense for current year		**-**	-
	b) MAT credit relating to earlier years		**-**	-
	c) Less : Reversal of Deferred tax liabilities		**1,333.78**	(382.49)
	d) Less : Reversal of Excess Income tax Provided in Previous Years		**1,076.47**	-
			(2,410.25)	382.49
V.	**Profit for the year/period (III-IV)**		**(2,463.68)**	(12,182.82)
	Earnings per equity share of Rs.10 Each			
	Basic Rs.		**(7.24)**	(35.78)
	Diluted Rs.		**(7.24)**	(35.78)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

T.Raghavendra
(Mem No. 023806)

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place : Hyderabad
Date : 29th November 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30.09.2013

Rs.in Lakhs

Particulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit & Loss Account	**(4,873.93)**	(11,800.32)
Adjustments for		
Depreciation & Amortisation	**5,276.84**	7,231.53
Reversal of Income tax	**1,076.47**	-
Financial Expenses	**5,046.14**	7,344.55
Interest income	**(25.08)**	(100.37)
Bad Debts Written off	-	4,793.87
CWIP Written off	-	4,093.40
Creditors no Longer Payable	-	(173.92)
Unrealised Foreign Exchange loss	**(6,479.01)**	(3,098.95)
Operating Profit Before Working Capital Changes	**21.43**	8,289.79
Adjustments for		
Decrease/(Increase) in Inventories	**(35.46)**	1,426.33
Increase in Trade Receivables	**(1,848.99)**	(16,629.65)
Decrease/(Increase)in in Long & Short Term Loans & Advances	**2,072.65**	351.04
Increase/(Decrease) in Current & Non Current Liabilities	**305.91**	19,243.69
Increase/(Decrease) in Long & Short Term Provisions	**(1,688.65)**	(3,839.46)
	(1,173.11)	8,841.74
Other Income	**7.77**	-
Exceptional Items	-	-
Cash Generated from Operations	**(1,165.34)**	8,841.74
Taxes Paid		(729.43)
Cash from Operating Activities (A)	**(1,165.34)**	8,112.31
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(138.11)**	(182.43)
Decrease/(Increase) in Capital Work In progress	**214.98**	-
Investments made during the Period/Year	-	-
Increase/(Decrease) in Other Reserves	-	-
Advance to Subsidiaries	**(27.50)**	(123.00)
Proceeds from Sale of investments	-	25.00
Advance from Subsidiaries	**5,518.95**	
Interest Received	**17.31**	11.00
Cash from Investment Activities (B)	**5,585.63**	(269.43)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Share Premium Received	**(1,194.91)**	-
Increase/ (Decrease) in Loan Funds	**1,842.44**	(2,473.15)
Dividend & Taxes paid	-	(340.49)
Interest & Financial Charges	**(5,046.14)**	(5,417.83)
Net Cash from financing activities (C)	**(4,398.65)**	(8,231.47)
Net Increase in cash and cash equivalent (A+B+C)	**21.64**	(388.59)
Opening Cash and Cash Equivalents	**319.08**	707.67
Cash and Cash Equivalent as on 30.09.2013	**340.72**	319.08

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 245.20 lakhs (30.09.2012: Rs. 274.44.25 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
3. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
4. Figures in bracket represents cash outflow.

In terms of our report attached

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

T.Raghavendra
(Mem No. 023806)

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

A.B.S.Reddy
Director

Place : Hyderabad
Date : 29th November 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements:

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

2. Use of Estimates:

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

c. Fixed Assets:

A. Tangible Assets:

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

Plant & Machinery	7.42%
Electrical Installations	7.42%

B. Intangible Assets:

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

Intellectual Property Rights	10.00%
Software	16.67%

d. Borrowing Costs:

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

e. Impairment of Assets:

At each balance sheet date, the Management

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

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

f. Investments:

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

g. Inventories:

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

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

h. Income Taxes:

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

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

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

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

i. Employee Benefits:

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

Rules, 2006. A brief description of the employee benefits are as follows:

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

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

j. **Revenue Recognition:**

A. **Export Sales:**

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

B. **Manufactured Sales:**

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

C. **Trading Sales:**

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

D. **Service Income:**

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

k. **Foreign Currency Translation and Foreign Currency Transactions:**

A. **Wholly Owned Foreign Subsidiaries:**

Wholly Owned Foreign Subsidiaries are classified as integral operations. All foreign currency monetary items outstanding at the year-end are translated at the year-end exchange rates. The resulting exchange gains and losses are recognized in the profit & loss account.

B. **Foreign Branch:**

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

c. **Other Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are restated at the exchange rate on the date of the Balance Sheet date. Non-monetary

items denominated in foreign currencies are carried at cost. Exchange differences on settlement or restatement are adjusted in the Profit and Loss account.

l. Leases:

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

m. Earnings Per Share:

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

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

n. Provisions and Contingent Liabilities:

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

o. Redemption Premium:

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

NOTES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 3: Share capital		
Authorised		
i) 110,000,000 (31.03.2012:110,000,000) Equity Shares of Rs.10 each	**11,000.00**	11,000.00
Issued, subscribed and fully paid up		
i) 34,048,861 (31.03.2012 : 34048861) Equity Shares of Rs.10 each	**3,404.89**	3,404.89
Total	**3,404.89**	3,404.89

(Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 Lakhs from the Profit & Loss account)

Notes:

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

Particulars	Year ended 30 Sep 13		Eighteen Months period ended 30 Sep 12	
	No.of Shares	**Rupees in Lakhs**	No.of Shares	Rupees in Lakhs
a) Equity				
Shares outstanding at the beginning of the Year/Period	**34048861**	**3,404.89**	34048861	3,404.89
Shares issued during the year/period	**-**	**-**	-	-
Shares outstanding at the end of the year/period	**34048861**	**3,404.89**	34048861	3,404.89

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

Name of the share holder	Year ended 30 Sep 13		Eighteen Months period ended 30.Sep.12	
	No.of Shares Held	**%**	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	**2,200,000**	**6.46**	2,200,000	6.46
	2,200,000		2,200,000	

Rupees in Lakhs

PARTICULARS		As at 30 Sep 2013	As at 30 Sep 2012
Note 4: Reserves and surplus			
i)	Capital reserve		
	Opening balance	**4,465.25**	-
	Add: Additions during the year/period (note :)	-	4,465.25
	Closing balance	**4,465.25**	4,465.25
ii)	Securities premium account		
	Opening balance	**18,898.90**	23,133.02
	Add: Premium on conversion of FCCB's	-	-
	Less: Premium on Redemption of FCCB's	**1,194.91**	4,234.12
		17,703.99	18,898.90
iv)	General reserve	**125.00**	125.00
v)	Surplus in statement of profit and loss		
	Opening balance	**9,782.46**	21,965.28
	Add: Profit for the year/period	**(2,463.68)**	(12,182.82)
	Less: Appropriations	-	-
	Proposed dividend	-	-
	Dividend distribution tax	-	-
	Less : Adjustment	-	-
	Closing balance	**7,318.78**	9,782.46
	Total	**29,613.03**	33,271.61
Note 5: Long term borrowings			
Secured			
a)	Term loans from		
	i) Banks	**687.51**	1,604.10
	ii) Financial institutions	**858.00**	1,429.20
	iii) Others	-	542.11
		1,545.51	3,575.41

Notes:

1) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Hongkong and Shanghai Banking Corporation Limited, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets both present and future of the company. Further, these loans are secured by personal guarantees and properties of the promoter of the Company Mr. A.B.S. Reddy.

2) Terms of repayment are given below:
   a. Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.
   b. Loan taken from Bank of india carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.
   c. Loan taken fromAndhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.
   d. Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014
   e. Loan taken from Hongkong and shanghai banking corporation Limited carries an interest rate of 18.75% p.a and is repayable in 4 monthly installments of Rs.100.00 lakhs each.
   f. Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan'2016

3) Term loan of Rs.1870.00 lakhs from HP Financial services(India) Pvt Ltd is secured by first charge on the specific purpose assets viz IBM Kiosk Machines of MCD Apke Dwar Project.The term loan is repayable in 16 equated quarterly installments of Rs.141.00 lakhs Aggregating Rs.2256.00 lakhs from Nov'2010 to Aug'2014. No penal interest is provided on belated and defaulted payments.

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	**2,566.42**	3,880.40
	2,566.42	3,880.40
Deferred tax asset:		
Provision for employee benefits	**62.22**	47.28
Provision for doubtful trade receivables, loans and advances	**144.63**	139.77
Unabsorbed /Depreciation	**-**	-
	206.85	187.06
Deferred tax liabilities (net)	**2,359.57**	3,693.34
Note 7: Long-term provisions		
Provision for Employee benefits (Refer note 28)	**202.13**	156.30
	202.13	156.30
Note 8: Short-term borrowings		
From Banks	**21,347.22**	18,334.63
Unsecured Loans from Subsidiaries	**6,337.62**	4.26
	27,684.84	18,338.89

i) Loans repayable on demand includes an amount of Rs. 21300.39 lakhs (30.09.2012:Rs. 17123.69 lakhs) represents working capital loans from banks are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr.A.B.S.Reddy.Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd. Interest on W.Capital Loans are provided on the last known rates as the Banks have not provided the Statement of Account of each W.Capital loan. The figures are as per the books of accounts and not reconciled as statement of accounts for certain banks have not been provided.

Note 9: Trade payables		
(Refer Note no. 46 for details of dues from Micro and small enterprises)		
Acceptances	**-**	-
Other than acceptances	**25,932.82**	25,456.65
	25,932.82	25,456.65
Note 10: Other current liabilities		
Current maturities of long-term debt (Refer note No. 5)	**43,924.72**	37,963.97
Interest accrued but not due on borrowings	**33.87**	35.84
Interest accrued and due on borrowings	**4,999.74**	1,951.63
Inter corporate Deposits	**4,686.00**	4,499.93
Other liabilities	**730.36**	759.16
Unclaimed dividends	**12.95**	13.19
Statutory remittances	**154.74**	192.27
Payables for Capital works	**271.87**	204.42
Advances from customers	**185.86**	185.88
	55,000.10	45,806.30

Note : The company has not provided for interest on Unsecured Loans

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 11: Short-term provisions		
Provision for income tax	**3,810.19**	6,665.81
Provision for FBT	**654.11**	727.88
Dividend Distribution Tax	**56.56**	56.56
Provision for Premium Payable on Redemption of FCCB	**10,793.34**	9,598.43
	15,314.20	17,048.68
Note 13: Non-current investments		
(At cost unless otherwise stated)		
Trade		
Bartronics Asia Pte Ltd	**8,654.17**	8,654.17
Equity 769500 @ SGD 1(30.09.12 - 769500 @ SGD 1)		
Cumulative Redeemable Preference Shares 21097042 @ USD 1		
Bartronics America Inc	**21,544.86**	21,544.86
Equity 1500 @ USD 1(30.09.12 - 1500 @ USD 1)		
Non conertible non cumulative Preference shares 4994 @ USD 10000		
Bartronics Middle East FZE	**18.96**	18.96
Equity 1 @ AED 150000(30.09.12 - 1 @ AED 150000)		
	30,217.99	30,217.99
Book value of unquoted investments	**30,217.99**	30,217.99
Note 14: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Capital Advances	**9,374.39**	8,312.07
b) Security deposits	**3,208.62**	3,363.84
c) Loans and advance to related parties	**647.83**	520.71
e) MAT credit entitlement	**1,777.52**	1,777.52
g) Deposits with government authorities	**-**	2.55
	15,008.36	13,976.69
Note 15: Current investments		
(At lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
In PNB- Principal Large Cap Fund- Growth Plan		
Aggregate Book Value of Quoted Investments	**-**	-
Note 16: Inventories (At lower of cost and net realisable value)		
Raw Materials	**288.89**	268.32
Finished Goods	**232.49**	206.66
Stock in Progress	**21.92**	32.86
	543.30	507.84

Note : 12 A

Tangible Assets	Gross Block				Depreciation				Net Block	
Particulars	As at 1st Oct 2012	Additions	Del/ Adj	Ast at 30th Sep 2013	As at 1st Oct 2012	For the period	Del/ Adj	Ast at 30th Sep 2013	As on 30.09.2013	As on 30.09.2012
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	305.98	-	-	305.98	38.60	10.22	-	48.82	257.16	267.38
Plant And Machinery	7,133.62	-	-	7,133.62	2,194.43	530.31	-	2,724.73	4,408.89	4,939.30
Electrical Installation	426.98	1.15	-	428.13	128.26	29.61	-	157.87	270.26	298.56
Computers	10,643.90	-	-	10,643.90	6,499.93	1,708.18	-	8,208.10	2,435.80	4,143.98
Office Equipment	55.84	-	-	55.84	26.21	2.25	-	28.46	27.39	29.63
Furniture & Fixtures	195.81	-	-	195.81	127.47	5.48	-	132.96	62.85	68.33
Vehicles	291.14	-	-	291.14	125.30	23.05	-	148.36	142.79	165.85
Leasehold Improvements	48.71	-	-	48.71	16.35	9.74	-	26.09	22.62	46.14
T O T A L(A)	**19,143.91**	**1.15**	**-**	**19,145.06**	**9,156.55**	**2,318.83**	**-**	**11,475.38**	**7,669.68**	**10,001.09**
Previous Year	19,046.60	97.31	-	19,143.91	5,676.48	3,480.06	-	9,156.54	9,987.33	13,370.12

Note : 12 B

Intangible Assets	Gross Block				Depreciation				Net Block	
Particulars	As at 1st Oct 2012	Additions	Del/ Adj	Ast at 30th Sep 2013	As at 1st Oct 2012	For the period	Del/ Adj	Ast at 30th Sep 2013	As on 30.09.2013	As on 30.09.2012
SOFTWARE	17,841.74	136.96	-	17,978.70	10,682.36	2,958.01	-	13,640.37	4,338.33	7159.37
T O T A L(B)	**17,841.74**	**136.96**	**-**	**17,978.70**	**10,682.36**	**2,958.01**	**-**	**13,640.37**	**4,338.33**	**7,159.37**
Previous Year	17,751.65	90.09	-	17,841.74	6,930.90	3,751.46	-	10,682.36	7,159.37	10,820.75
Gross Total(A+B)	**36,985.65**	**138.11**	**-**	**37,123.76**	**19,838.91**	**5,276.84**	**-**	**25,115.75**	**12,008.01**	**17,160.46**
Previous Year	36,798.25	187.40	-	36,985.65	12,607.38	7,231.53	-	19,838.91	17,146.70	24,190.87

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 17: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	**97,279.13**	55,696.92
Considered Doubtful	**435.42**	430.80
	97,714.55	56,127.72
Less: Provision for doubtful trade receivables	**(435.42)**	(430.80)
(A)	**97,279.13**	55,696.92
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	**367.61**	24,491.99
Considered Doubtful	**-**	-
	367.61	24,491.99
Less: Provision for doubtful trade receivables		
(B)	**367.61**	24,491.99
(A+B)	**97,646.74**	80,188.91
Note 18: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	**1.56**	3.37
Balances with Banks:		
In current accounts	**67.39**	27.83
In EEFC account	**0.95**	0.24
In Deposit accounts	**15.16**	-
Other bank balances		
In Ear marked Accounts		
Margin Money deposits	**245.20**	274.44
- In Dividend Account	**10.45**	13.20
Balance held as margin monies (Refer note below)		
	340.72	319.08
The Company has not provided for interest on some of the deposits		
Note 19: Short-term loans and advances		
Security deposits	**185.86**	193.65
Loans and advances to employees	**31.14**	20.42
Prepaid expenses	**46.24**	256.18
CENVAT credit receivable	**-**	0.09
Service tax credit receivable	**-**	0.03
TDS receivable	**165.75**	113.22
Advances for supply of goods and rendering of services	**180.21**	1,146.94
Others	**0.18**	1,694.52
Less: Provision for Doubtful Advances	**(14.08)**	(14.08)
	595.33	3,410.97
Note 20: Other current assets		
Interest accrued but not due on deposits	**112.41**	96.99
Advance tax	**3,243.66**	3,331.37
	3,356.07	3,428.36

NOTES FORMING PART OF FINANCIAL STATEMENTS

Rupees in Lakhs

	Paticulars		Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 21: Revenue from operations				
A)	**Exports- Software**			
	Value Added	Domestic	-	4,229.51
	Self Developed	Exports	-	9,550.85
B)	**Manufacturing**		**988.57**	1,124.53
C)	**Trading**			
	Software			-
	Hardware		**4,055.28**	40,199.85
D)	**Services**		-	512.15
E)	**Other Operating Revenuew**			
	Sale of scrap		-	3.64
	Total		**5,043.85**	55,620.53

	Particulars of sale of products	Year Ended 30 Sep 2013		Eighteen Months Period ended 30 Sep 2012	
		Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
A	**Manufactured goods**				
	Cards & RFID	**2,024,011**	**988.57**	7,966,794	1,124.53
	Total	**2,024,011**	**988.57**	7,966,794	1,124.53
B	**Traded goods**				
	High sea sales		**4,055.28**		38,870.68
	Others		-		1,329.18
	Total		**4,055.28**		40,199.86
C	**Export Sales**				
	Value added software				4,229.51
	Self Deeloped Software				9,550.85
	Total		-		13,780.36
	Total		**5,043.85**		55,104.75

	Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 22: Other Income			
a)	Interest on deposit with banks and others	**25.08**	100.36
b)	Exchange gain(net)	**6,282.63**	2,791.56
c)	Creditors no longer payable	-	173.92
d)	Miscellaneous income	**11.29**	49.50
		6,319.00	3,115.34

Rupees in Lakhs

Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 23.a: Cost of materials consumed		
Opening Stock	**268.32**	1,362.65
Add : Purchases	**305.01**	3,262.70
	573.33	4,625.35
Less : Closing stock	**288.89**	268.32
	284.43	4,357.03

Details of raw materials consumed

	Year Ended 30 Sep 2013		Eighteen Months Period ended 30 Sep 2012	
	Qty (Nos.)	**Rupees in Lakhs**	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	**3002741**	**305.01**	7153864	998.92
Sofware				3,358.81
Total	**3002741**	**305.01**	7153864	4,357.73
Note 23.b: Details of purchase of traded goods				
High sea purchases		**3,776.66**		35,685.08
Others		**-**		839.52
Total	**-**	**3,776.66**	-	36,524.60

Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade		
Inventories at the beginning of the year:		
Finished goods	**206.66**	459.40
Work in progress	**32.86**	112.12
Stock in trade	**-**	-
	239.52	571.53
Inventories at the end of the year:		
Finished goods	**232.49**	206.66
Work in progress	**21.92**	32.86
Stock in trade	**-**	-
	254.41	239.52
Net (increase) / decrease	**(14.89)**	332.01
Note 24: Employee benefit expense		
Salaries, wages and bonus	**774.93**	2,391.33
Contribution to provident and other funds	**82.64**	160.46
Staff welfare expenses	**5.52**	57.43
	863.10	2,609.22

1. The Company has paid Directors Remuneration beyond the Statutory limits.
2. Provision for Gratuity fund and leave encashment is made on ad hoc basis and not as per the acturial valuation as per AS-15. No bonus is provided in the accounts for the year under consideration.

Rupees in Lakhs

Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 25: Finance costs		
Interest expense on Borrowings	**5,028.73**	6844.35
interest on delayed payment of income tax	0.00	65.60
Others	**17.41**	434.60
	5,046.14	7,344.55
Note 26: Other expenses		
Advertisement	**125.77**	189.53
Bank charges	**9.94**	47.61
Business promotion	0.02	14.54
Communication	**60.01**	219.40
Directors' Sitting fees	**1.00**	1.95
Donations	-	0.13
Factory maintenance	0.20	0.91
Insurance	**5.99**	95.71
Job work charges	**5.06**	4.21
Legal and professional	**103.23**	349.63
Miscellaneous expenses	**68.84**	78.35
Other manufacturing expenses	0.05	2.15
Power and fuel	**19.76**	87.67
Payments to auditors (Refer Note (i) below)	**15.75**	50.00
Maintenance Charges-MCD		2.93
Printing and stationery	**38.22**	27.47
Project Expenses	**4.20**	55.04
Bad Debts	0.40	4,793.87
Rates and taxes	**1.31**	39.05
Rent	**35.13**	232.22
Lease rentals	**231.54**	724.23
Repairs and Maintenance-Machinery	**2.48**	4.47
Impairment of carrying cost of CWIP	-	4,093.40
Repairs and Maintenance-Others	**35.67**	42.78
RSBY Enrolment Expenses	**123.70**	481.35
Security Charges	**38.76**	139.16
Travelling and conveyance	**77.47**	359.50
	1,004.49	12,137.26
Note (i): Payments to the auditors (net of service tax input credit)		
As auditors -statutory audit	**15.00**	81.89
Other Services	**0.75**	0.94
Total	**15.75**	82.83

Notes to Account:

27. Contingent Liabilities:

Letters of Credit and Guarantees issued: Rs. & USD. In Lakhs

Particulars	As At 30. 09. 2013	As At 30. 09. 2012
Letters of Credit	-	-
Counter Guarantees Given to Banks Towards:		
- Bank Guarantees Issued	**Rs.590.14**	Rs.573.83
- Corporate Guarantees	**$ 150**	$150

28. Claims Against The Company Not Acknowledged As Debts:

Disputed Taxes	As At 30. 09. 2013	As At 30. 09. 2012
Income Tax	1965.33	2,111.02
Sales Tax	127.74	5.95

29. Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,374.39 lakhs (30.09.2012 Rs. 8,312.07 lakhs)] Rs1,340.56 lakhs (30.09.2012: Rs. 1,555.54 lakhs)

30. Reserves & Surplus:

Securities Premium:

a. 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.1194.91 Lakhs (30.09.2012 Rs. 789.79 Lakhs).

31. Unsecured Loans:

Foreign Currency Convertible Borrowings (FCCB):

The Company raised US$ 50 Million ('FCCB') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds which fell due for redemption in February 2013. Post this, your company had sought extension to the maturity of the bonds to November 4, 2013 from Reserve Bank of India and this request for the extension for the maturity of the bonds was granted by Reserve Bank of India vide their letters with letter number FED/CO/ ECBD/18554/03.02.775/2012-13 and letter number FED/CO/ ECBD/18554/03.02.775/2013-14. The company is in the process of filing request for another extension.

Rs. in Lakhs

	As At 30.09.2013		As At 30. 09. 2012	
	FCCB (Redeemable in 2013)	**Total**	FCCB (Redeemable in 2013)	Total
Opening Balance	**26,325.00**	**26,325.00**	22670.80	22670.80
Add: FCCB raised during the year.	-	-	-	
Add: Foreign Exchange Loss (net)	**5,101.00**	-	3654.20	3654.20
Less: Foreign Exchange Gain (net)	-	-	-	
Closing Balance	**31,426.00**	-	26,325.00	26,325.00

32. Derivative Instruments:

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

Rs. in Lakhs

Particulars	**As At 30. 9. 2013**		As At 30. 9. 2012	
	US Dollar (lakhs)	**Rupee Equivalent (lakhs)**	US Dollar (lakhs)	Rupee Equivalent (lakhs)
Amount Receivable on Account of				
Export of Goods	**1539.41**	**96752.27**	1465.82	77175.66
Other Receivables				
Amount Payable on account of				
Import of Goods & Services	**318.42**	**20013.33**	348.53	18350.61
Capital Imports				
Foreign Currency Convertible Bonds	**500**	**31,426.00**	500	26,325.00
Redemption Premium on FCCB	**1823.06**	**10793.34**	1823.06	9598.43
Other Payables				

33. Related Party Disclosures:

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

A. List of Related Parties

1. Subsidiaries

Subsidiaries of Bartronics India Limited	Country of Incorporation	Percentage of Ownership Interest
1. Bartronics Asia Pte Ltd.	Singapore	100%
2. Bartronics Middle East FZE	UAE	100%
Subsidiary of Bartronics Asia Pte Ltd.		
1. Bartronics Hongkong	Hong Kong	100%
2. Veneta Holdings Limted	Mauritius	100%
3. Systems America Inc	USA	51%
4. Bartronics Global Solutions	India	99%
5. Burbank Holdings Limited	Mauritius	100%

2. Key Management Personnel

1. Mr. Sudhir Rao – Managing Director

B. Related Party Transactions:

Rs. in Lakhs

	Subsidiaries		Key Management Personnel and their Relatives	
Transactions	**2012-13**	2011-12	**2012-13**	2011-12
Sales				
Bartronics Asia Pte Ltd.	**108.28**	7.66	-	-
Bartronics Middle East FZE	--	1138.07		
Purchases				
Bartronics Asia Pte Ltd.	--	--		
Advances to				
Bartronics Global Solutions	**27.50**	--		-
Bartronics Asia Pte Ltd.	**(6337.62)**	(4.26)	-	-
Bartronics Middle East FZE.	--	0.54		
Investment in Equity Shares				
Bartronics Middle East FZE.	--	18.96	-	-
Bartronics Asia Pte Ltd	--	204.37		
Investment in Preference Shares				
Bartronics Asia Pte Ltd	--	8,449.79		
Bartronics America Inc.	--	21,544.25		
Remuneration Paid			**82.18**	**82.18**
Mr. Sudhir Rao			**82.18**	82.18
Outstanding Balances as at Sep 30,2013				
Advances				
Bartronics Asia Pte Ltd.	0	0	-	-
Bartronics Middle East FZE	**0.54**	0.54	-	-
Receivables				
Bartronics Asia Pte Ltd.	**4.46**	5.69	-	-
Bartronics Middle East FZE	--	3159.55		
Payables				
Bartronics America Inc.	0	0		

34. Disclosure as per Clause 32 of the Listing Agreement

Loans and Advances in the Nature of Advances Given To Subsidiaries:

Rs. in Lakhs

Name of the Company	Relationship	Amount Outstanding As On 30.09. 13	Maximum Balance Outstanding During the Year
Bartronics Asia Pte Ltd	Subsidiary	(6337.61) *(4.26)*	(6337.61) *(4.26)*
Bartronics Middle East FZE	Subsidiary	0.54 *0.54*	0.54 *0.54*
Bartronics Global Solutions ltd	Fellow Subsidiary	27.50 --	27.50 --
Total		(6309.57) *(3.72)*	(6309.57) *(3.72)*

Figures in italics represent previous year's figures.

35. Managerial Remuneration

Rs. in Lakhs

Particulars	2012-13	2011-12
Salaries & Allowances	**82.09**	82.09
Contribution to Provident Fund	**0.09**	0.09
Directors' Sitting Fees	**1.00**	1.95
Total	**83.18**	84.13

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

2. As per the term of appointment, no commission is payable to Managing Director or Whole time Directors, accordingly computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 is not given.

36. Auditor's Remuneration

Rs. in Lakhs

Particulars	2012-13	2011-12
Audit Fees	**10.00**	15.00
Limited Reiews	**5.00**	35.00
Other Services	**0.75**	--
Total	**15.75**	50.00

37. 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 Sales				Segment Assets Debtors			
	2012-2013		2011-2012		**2012-2013**		2011-2012	
Hong Kong	--	--	5651.63	10.16	6852.90	6.99	10173.18	12.62
UAE	--	--	28029.60	50.39	36007.68	36.71	30163.03	37.42
USA	--	--	15556.34	27.97	33115.76	33.76	16770.74	20.80
Others	**4163.56**	**82.55**	6382.91	11.48	20873.26	21.28	23,512.30	29.16
Outside India	**4163.56**	**82.55**	50771.75	91.28	96849.60	98.74	77,175.66	95.73
Within India	**880.29**	**17.45**	4848.73	8.72	1232.56	1.26	3444.06	4.27
Total	**5043.85**	**100.00**	55620.48	100.00	98082.16	100.00	80,619.72	100

38. Composition of Deferred Tax Liability:

Rs. in Lakhs

Particulars	As At 30.09.2012	Movement During the Year	**As At 30 09. 2013**
Deferred Tax Liability:			
Relating to Fixed Assets	3880.40	(1313.98)	2566.42
Total	3880.40	(1313.98)	2566.42
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	139.77	4.86	144.63
Disallowances under Section 43B	47.28	14.94	62.22
Unabsorbed Depreciation	--	--	--
Total	**187.05**	**19.80**	**206.85**
Net Deferred Tax Liability	**3,693.35**	**(1333.78)**	**2359.57**

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

39. Earnings Per Share:

Particulars	**2012-2013**	2011-2012
Profit after Taxation (Rs. in Lakhs)	**-2463.68**	-12182.81
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	**-2463.68**	-12182.81
Weighted average number of equity shares used in computing Basic Earnings Per Share	**34,048,861**	34,048,861
Earnings per share – Face Value: Rs.10/- each		
- Basic	**(7.24)**	(35.78)
- Diluted	**(7.24)**	(35.78)

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

Particulars	2012-13		2011-12	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials				
- Imported	**92.44**	**32.51%**	2,928.23	67.21%
- Indigenous	**191.99**	**67.49%**	1,428.80	32.79%
Total	**284.43**	100%	4,357.03	100%

41. CIF Value of Imports

Rs. in Lakhs

Particulars	2012-13	2011-12
Raw Material	--	2,928.23
Goods for resale	**3776.66**	35,811.91
Total	**3776.66**	38,740.14

42. Earnings in Foreign Exchange (on accrual basis)

Rs. in Lakhs

Particulars	2012-13	2011-12
FOB Value of Exports	--	50,771.80
Others	**114.64**	--

43. Expenditure in Foreign Currency (on accrual basis)

Rs. in Lakhs

Particulars	2012-13	2011-12
Foreign Travel	0.85	7.00
Others	-	

44. Disclosures as required under Accounting Standard AS-15

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

(Rupees in lakhs

Expenses recoginsed in statement of profit and loss account			
Particulars	**Gratuity**	**Compensated Absences**	**Total**
Current Service Cost	**9.02**	**(43.10)**	**(34.08)**
	47.64	*39.35*	*86.99*
Interest Cost	**8.11**	**5.17**	**13.28**
	5.48	*2.64*	*8.12*
Actuarial (Gains)/Losses	**(66.77)**	**(5.17)**	**(71.94)**
	(2.12)	*(2.64)*	*(4.76)*
Total expense included in the Statement of Profit & Loss	**(49.64)**	**(43.10)**	**(92.74)**
	50.99	*39.35*	*90.34*

Net Liability recognized in Balance Sheet			
Present Value of Defined Benefit Obligation	**95.46**	**17.75**	**113.21**
	44.46	*60.85*	*105.31*
Fair Value on Plan Assets	**-**	**-**	**-**
	-	-	-
Net Liability recognised in Balance Sheet	**45.82**	**17.75**	**63.57**
	95.45	*60.85*	*156.3*
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	95.46	60.85	156.31
	44.46	*21.50*	*65.96*
Current Service Cost	9.02	(43.10)	(34.08)
	47.64	*39.35*	*86.99*
Interest Cost	8.11	5.17	13.28
	5.48	*2.64*	*8.12*
Actuarial (Gains)/Losses	(66.77)	(5.17)	(71.94)
	(2.12)	*(2.64)*	*(4.76)*
Benefits Paid	**-**	**-**	**-**
	-	-	-
Present Value of DBO at the End of Period/Year	45.82	17.75	63.57
	95.45	*60.85*	*156.3*

Assumptions	
Interest / Discount Rate	**9.00%**
	8.50%
Rate of escalation in salary	7.00%
	7.00%
Attrition Rate	4.00%
	4.00%

Note: Figures in italics relate to previous year

Note: Only Provisions has been Made in the books but no payments were made.

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	2012-13	2011-12	2010-11	2009-10	2008-09
	Gratuity				
Present value of defined benefit obligation	**45.82**	95.45	44.46	46.47	18.59
Fair value of plan assets	**-**	-	-	-	
Status [Surplus / (Deficit)]	**(45.82)**	(95.45)	(44.46)	(46.47)	(18.59)
	Compensated Absences				
Present value of defined benefit obligation	**17.75**	60.85	21.5	7.25	14.71
Fair value of plan assets	**-**	-	-	-	
Status [Surplus / (Deficit)]	**17.75**	(60.85)	(21.5)	(7.25)	(14.71)

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

46. The dues to Micro and Small enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006 (the Act) are identified by the Company based on enquiries with the parties and information available with the Company. There are no dues to be paid by the company to The Micro, Small & Medium enterprises as per the management.

47. The Company was awarded the "Aapke Dwar" Project in 2009 by the Municipal Corproation of Delhi (MCD). The project envisages availment of various Governments to Citizen (G2C) services. The Company is required to install and operate 2,000 kiosks at various locations in the city to facilitate the above. The Company has also the right to display advertisements on the external walls of the kiosks.

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,426.34 Lakhs(2011-12 : Rs. 1,426.34 lakhs). Further amounts aggregating to Rs. 13,688.82 Lakhs(2011-12:Rs. 13,474.47.10 lakhs)has been advanced for work to be carried out.

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

48. Due to no profits in the Company the remuneration of Directors as fixed by the members for the financial year 2012-13 is exceeding the permissible remuneration under the Companies Act, 1956 by 82.18 Lakhs. The Company is taking necessary steps.

49. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

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

Place : Hyderabad
Date : 29.11.2013

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements
INDEPENDENT AUDITORS' REPORT

To the Board of the Directors of
BARTRONICS INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bartronics India Limited ("the Company") and its subsidiaries (Collectively referred as "Group"), which comprise the Consolidated Balance sheet as at September 30, 2013, and the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

1. Without qualifying our opinion, we invite attention to Note no 42 forming part of the financial statements regarding the uncertainties relating to MCD Project – "Apke Dwar Project"

2. We invite attention to :

   Note 17 forming part of the financial statements regarding the Trade Receivables balance aggregating to Rs.138,720.80 Lakhs and in respect of which no provision has been made .In the absence of the required information, we are unable to form an opinion on the extent to which the debts may be irrecoverable.

3. Note 14 forming part of the financial statements regarding the non repayment of FCCB amounting to Rs.31,426 Lakhs which has fallen due as of February 2013 and the company has defaulted the payments even after the expiry of extended time sought by it from the RBI.

4. Attention is invited to Note 43 of the accompanying financial statements, which explain the payment of managerial remuneration amounting to 82.18 lakhs was paid in excess of the permissible remuneration under Schedule XIII of the Companies Act, 1956, during the year ended September 30, 2013

5. We have not conducted the audit of the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.33,070.94 Lakhs as at 31st March 2013, Total revenue of Rs.10,281.97 Lakhs and net cash outflows amounting to Rs.671.43 Lakhs for the year ended 31st March 2013. These financial statements and other financial information have been prepared by the management and which have not been audited and our opinion is based solely on the management accounts. We are unable to comment on adjustments that may have been required to the accompanying said unaudited consolidated financial statements, had such consolidated accounts been audited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the above comments and annexure referred to in para 1 below and notes on accounts, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2013;

ii) In the case of the Consolidated Statement of Profit and Loss, of the loss 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 T.Raghavendra & Associates
Chartered Accountants
FRN: 003329S

T. Raghavendra
Mem. No.023806

Place: Hyderabad
Date: 29th November 2013

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2013

Rupees in Lakhs

Particulars	Note No	For the Current Reporting Date 30 Sep 2013	For the Previous Reporting Period 30 Sep 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	**3,404.89**	3,404.89
b) Share warrants			
c) Reserves and surplus	4	**37,474.62**	43,016.01
		40,879.51	46,420.90
2 Non- current liabilities			
a) Long-term borrowings	5	**1,545.50**	3,575.41
b) Deferred tax liabilities (net)	6	**2,314.57**	3,648.01
c) Other non current liabilities			
d) Long term Provisions	7	**202.13**	156.30
		4,062.20	7,379.72
3 Current liabilities			
a) Short-term borrowings	8	**24,536.20**	25,917.66
b) Trade payables	9	**53,715.05**	38,622.44
c) Other current liabilities	10	**55,620.87**	46,359.61
d) Short-term provisions	11	**15,314.20**	17,048.68
		149,186.31	127,948.39
TOTAL		**194,128.01**	181,749.01
II. ASSETS			
1 Non- current assets			
a) Fixed assets			
i) Tangible assets	12 A	**8,063.20**	10,413.21
ii) Intangible Assets	12 B	**23,808.05**	26,629.08
iii) Capital work in progress		**1,340.56**	1,555.54
		33,211.81	38,597.83
b) Non-current investments	13	**-**	-
c) Long-term loans and advances	14	**15,008.36**	20,366.27
Good will on consolidation		**392.75**	392.75
		48,612.92	59,356.85
2 Current assets			
a) Current investments	15		-
b) Inventories	16	**543.30**	507.84
c) Trade receivables	17	**138,720.80**	111,753.89
d) Cash and bank balances	18	**2,291.23**	2,941.02
e) Short-term loans and advances	19	**603.69**	3,709.30
f) Other current assets	20	**3,356.07**	3,480.11
		145,515.09	122,392.16
TOTAL		**194,128.01**	181,749.01
Difference			

See accompanying notes forming part of the financial statements

In terms of our report attached

For T. Raghavendra & Associates
Chartered Accountants
(FRN : 003329S)
T. Raghavendra
(Mem No. 023806)

Place : Hyderabad
Date : 29th November 2013

For and on behalf of the Board of Directors

Sudhir Rao
Managing Director

A.B.S. Reddy
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

Rupees in Lacs

	Particulars	Note No.	For the year ended 30 Sep 2013	For the Eighteen months period ended 30 Sep 2012
I.	**Revenue**			
	Revenue from operations (gross)		**15,362.59**	116,461.45
	Less: Excise duty		**36.77**	141.12
	Revenue from operations (net)	21	**15,325.82**	116,320.33
	Other income	22	**6,319.00**	3,375.57
	Total revenue		**21,644.82**	119,695.90
II.	**Expenses**			
	Cost of materials consumed	23 A	**284.43**	4,357.03
	Purchase of stock-in-trade	23 B	**12,564.70**	74,807.27
	Change in inventories of finished goods work in progress and stock- in-trade	23 C	**(14.89)**	332.01
	Employee benefits expense	24	**2,056.40**	4,369.23
	Finance costs	25	**5,046.69**	7,345.90
	Depreciation and amortisation expense	12A&12B	**5,308.87**	7,341.37
	Other expenses		**2,026.65**	27,861.30
	Total expenses		**27,272.85**	126,414.11
III.	**Loss before tax (I-II)**		**(5,628.04)**	(6,718.21)
IV.	**Tax expense:**			
	a) Current tax expense for current year		**-**	21.31
	b) MAT credit relating to earlier years		**-**	-
	c) Less : Reversal of Deferred tax liabilities		**1,333.78**	(397.60)
	d) Less : Reversal of Excess Income tax Provided in Previous Years		**1,076.47**	-
			(2,410.25)	(418.91)
V.	**Profit for the year/period (III-IV)**		**(3,217.79)**	(7,137.12)
	Earnings per equity share of Rs.10 Each			
	Basic Rs.		**(9.45)**	(20.96)
	Diluted Rs.		**(9.45)**	(20.96)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

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

Sudhir Rao
Managing Director

A.B.S. Reddy
Director

T. Raghavendra
(Mem No. 023806)

Place : Hyderabad
Date : 29th November 2013

Consolidated Cash Flow Statement for the period ended 30.09.2013

Rs.in Lakhs

Particulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit & Loss Account	**(5,628.04)**	(6,718.20)
Adjustments for		
Depreciation & Amortisation	**5,308.87**	7,341.37
Reversal of Income tax	**1,076.47**	-
Financial Expenses	**5,046.69**	7,345.90
Interest income	**(25.08)**	(100.51)
Bad Debts Written off	-	4,793.87
CWIP Written off	-	4,093.40
Creditors no Longer Payable	-	(173.92)
Unrealised Foreign Exchange loss	**(6,479.01)**	(3,086.84)
Adjustment of Previous Year Profits	**(1,128.69)**	(1,408.29)
Operating Profit Before Working Capital Changes	**(1,828.80)**	12,086.78
Adjustments for		
Decrease/(Increase) in Inventories	**(35.46)**	1,426.33
Increase in Trade Receivables	**(11,358.06)**	(31,006.67)
Decrease/(Increase)in in Long & Short Term Loans & Advances	**9,301.27**	26,426.62
Increase/(Decrease) in Current & Non Current Liabilities	**14,989.80**	-
Increase/(Decrease) in Long & Short Term Provisions	**(1,688.65)**	-
	9,380.10	8,933.06
Other Income	**7.77**	-
Exceptional Items	-	-
Cash Generated from Operations	**9,387.87**	8,933.06
Taxes Paid		(795.86)
Cash from Operating Activities (A)	**9,387.87**	8,137.20
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	**(138.11)**	(366.62)
Decrease/(Increase) in Capital Work In progress	**214.98**	-
Investments made during the Period/Year	-	-
Increase/(Decrease) in Other Reserves	-	-
Advance to Subsidiaries	**(524.62)**	-
Proceeds from Sale of investments	-	25.00
Advance from Subsidiaries	**(5,196.67)**	
Interest Received	**17.31**	11.00
Cash from Investment Activities (B)	**(5,627.10)**	(330.62)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	-
Share Premium Received	**(1,194.71)**	-
Increase/ (Decrease) in Loan Funds	**1,830.84**	(227.96)
Dividend & Taxes paid	-	(340.49)
Interest & Financial Charges	**(5,046.69)**	(5,419.20)
Net Cash from financing activities (C)	**(4,410 .56)**	(5,987.65)
Net Increase in cash and cash equivalent (A+B+C)	**(649.79)**	1,818.93
Opening Cash and Cash Equivalents	**2,941.02**	1,122.09
Cash and Cash Equivalent as on 30.09.2013	**2,291.23**	2,941.02

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 245.20 lakhs (30.09.2012: Rs. 274.44.25 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
3. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
4. Figures in bracket represents cash outflow.

In terms of our report attached

For and on behalf of the Board of Directors

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

T. Raghavendra
(Mem No. 023806)

Sudhir Rao
Managing Director

A.B.S. Reddy
Director

Place : Hyderabad
Date : 29th November 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORTATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Principles of Consolidation

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

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

b) The financial statements of the subsidiaries used in the consolidation are drawn up to the reporting date as that of the Company, i.e. March 31, 2013.

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

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

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

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

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

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

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

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

h) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in

similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.

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

C) **Basis of preparation of financial statements.**

a) The Consolidated Financial Statements are prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of 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 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 Companies recognize tax liabilities and assets in accordance with local laws.

i) Employee Benefits

Defined contribution plans

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

Defined benefit plans

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

Compensated absences

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the Balance

Sheet date by an independent actuary using the Projected Unit Credit method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

j) **Revenue Recognition**

A. Export Sales:

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

B. Manufactured Sales:

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

C. Trading Sales:

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

D. Service Income:

Revenue from services consist primarily of revenue earned from services performed on a "time and material" basis. The related revenue is 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.

NOTES FORMING PART OF THE BALANCE SHEET

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 3: Share capital		
Authorised		
i) 110,000,000 (31.03.2012:110,000,000) Equity Shares of Rs.10 each	**11,000.00**	11,000.00
Issued, subscribed and fully paid up		
i) 34,048,861 (31.03.2012 : 34048861) Equity Shares of Rs.10 each	**3,404.89**	3,404.89
Total	**3,404.89**	3,404.89

(Of the above 2,189,650 Equity Shares of Rs.10/- each issued as fully paid bonus shares by way of capitalisation of Rs.218.97 Lakhs from the Profit & Loss account)

Notes:

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

Particulars	**Year ended 30 Sep 13**		Eighteen Months period ended 30 Sep 12	
	No.of Shares	**Rupees in Lakhs**	No.of Shares	Rupees in Lakhs
a) Equity				
Shares outstanding at the beginning of the Year/Period	**34048861**	**3,404.89**	34048861	3,404.89
Shares issued during the year/period	**-**	**-**	-	-
Shares outstanding at the end of the year/period	**34048861**	**3,404.89**	34048861	3,404.89

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

Name of the share holder	**Year ended 30 Sep 13**		Eighteen Months period ended 30.Sep.12	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	**2,200,000**	**6.46**	2,200,000	6.46
	2,200,000		2,200,000	

Rupees in Lakhs

PARTICULARS		As at 30 Sep 2013	As at 30 Sep 2012
Note 4: Reserves and surplus			
i)	Capital reserve		
	Opening balance	**4,465.25**	-
	Add: Additions during the year/period	-	4,465.25
	Closing balance	**4,465.25**	4,465.25
ii)	Securities premium account		
	Opening balance	**18,898.90**	23,133.02
	Add: Premium on conversion of FCCB's	-	-
	Less: Premium on Redemption of FCCB's	**1,194.91**	4,234.12
		17,703.99	18,898.90
iv)	General reserve	**125.00**	125.00
v)	Surplus in statement of profit and loss		
	Opening balance	**19,526.86**	28,072.27
	Add: Profit for the year/period	**(3,217.79)**	(7,137.12)
	Less: Appropriations	-	-
	Proposed dividend	-	-
	Dividend distribution tax	-	-
	Less : Adjustment	**(1,128.69)**	(1,408.29)
	Closing balance	**15,180.38**	19,526.86
	Total	**37,474.62**	43,016.01
Note 5: Long term borrowings			
a)	Term loans from		
	i) Banks	**687.50**	1,604.10
	ii) Financial institutions	**858.00**	1,429.20
	iii) Others	**—**	542.11
		1,545.50	3,575.41

Notes:

1) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Hongkong and Shanghai Banking Corporation Limited, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets both present and future of the company. Further, these loans are secured by personal guarantees and properties of the promoter of the Company Mr. A.B.S.Reddy.

2) Terms of repayment are given below:

a. Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.

b. Loan taken from Bank of india carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.

c. Loan taken fromAndhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.

d. Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014

e. Loan taken from Hongkong and shanghai banking corporation Limited carries an interest rate of 18.75% p.a and is repayable in 4 monthly installments of Rs.100.00 lakhs each.

f. Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan'2016

3) Term loan of Rs.1870.00 lakhs from HP Financial services(India) Pvt Ltd is secured by first charge on the specific purpose assets viz IBM Kiosk Machines of MCD Apke Dwar Project.The term loan is repayable in 16 equated quarterly installments of Rs.141.00 lakhs Aggregating Rs.2256.00 lakhs from Nov'2010 to Aug'2014. No penal interest is provided on belated and defaulted payments.

PARTICULARS	**As at 30 Sep 2013**	As at 30 Sep 2012
Note 6: Deferred tax liabilities (net)		
Deferred tax liability:		
On difference between book balance and tax balance of fixed assets	**2,603.42**	3,917.34
	2,603.42	3,917.34
Deferred tax asset:		
Provision for employee benefits	**62.22**	47.28
Provision for doubtful trade receivables, loans and advances	**226.63**	222.05
Unabsorbed /Depreciation	**-**	-
	288.85	269.33
Deferred tax liabilities (net)	**2,314.57**	3,648.01
Note 7: Long-term provisions		
Provision for Employee benefits (Refer note 28)	**202.13**	156.30
Provision for Premium payable on FCCB		-
	202.13	156.30
Note 8: Short-term borrowings		
From Banks	**21,347.22**	18,346.43
Unsecured	**3,188.98**	7,571.23
	24,536.20	25,917.66

i) Loans repayable on demand includes an amount of Rs. 21300.39 lakhs (30.09.2012:Rs. 17123.69 lakhs) represents working capital loans from banks are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr.A.B.S.Reddy.Unsecured Loan is the short term advance received from the subsidiary Bartronics Asia Pte Ltd. Interest on W.Capital Loans are provided on the last known rates as the Banks have not provided the Statement of Account of each W.Capital loan. The figures are as per the books of accounts and not reconciled as statement of accounts for certain banks have not been provided.

Note 9: Trade payables		
(Refer Note no. 46 for details of dues from Micro and small enterprises)		
Acceptances	**-**	-
Other than acceptances	**53,715.05**	38,622.44
	53,715.05	38,622.44

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 10: Other current liabilities		
Current maturities of long-term debt	**43,924.72**	37,963.97
(Refer note No. 5)		
Interest accrued but not due on borrowings	**33.87**	35.84
Interest accrued and due on borrowings	**4,999.74**	1,951.63
Inter corporate Deposits	**4,686.00**	4,499.93
Other liabilities	**1,351.13**	759.16
Unclaimed dividends	**12.95**	13.19
Statutory remittances	**154.74**	192.27
Payables for Capital works	**271.87**	204.42
Advances from customers	**185.86**	739.17
	55,620.87	46,359.61
Note : The company has not provided for interest on Unsecured Loans		
Note 11: Short-term provisions		
Provision for income tax	**3,810.19**	6,665.81
Provision for FBT	**654.11**	727.88
Dividend Distribution Tax	**56.56**	56.56
Provision for Premium Payable on Redemption of FCCB	**10,793.34**	9,598.43
	15,314.20	17,048.68
Note 13: Non-current investments (At cost unless otherwise stated)		
Trade		
Book value of unquoted investments	**-**	-
Note 14: Long-term loans and advances		
i) (Unsecured and considered good)		
a) Capital Advances	**9,374.39**	8,312.07
b) Security deposits	**3,208.62**	3,504.92
c) Loans and advance to related parties	**647.83**	23.38
e) MAT credit entitlement	**1,777.52**	1,777.52
g) Deposits with government authorities	**-**	2.55
h) Other Advances		6,745.83
	15,008.36	20,366.27
Note 15: Current investments (At lower of cost and fair value)		
Investment in mutual funds (Unquoted)		
In PNB- Principal Large Cap Fund- Growth Plan		
Aggregate Book Value of Quoted Investments	**-**	-
Note 16: Inventories (At lower of cost and net realisable value)		
Raw Materials	**288.89**	268.32
Finished Goods	**232.49**	206.66
Stock in Progress	**21.92**	32.86
	543.30	507.84

Note : 12 A

Tangible Assets	Gross Block				Depreciation				Net Block	
Particulars	As at 1st Oct 2012	Additions	Del/ Adj	Ast at 30th Sep 2013	As at 1st Oct 2012	For the period	Del/ Adj	Ast at 30th Sep 2013	As on 30.09.2013	As on 30.09.2012
Land	41.92	-	-	41.92	-	-	-	-	41.92	41.92
Buildings	305.98	-	-	305.98	38.60	10.22	-	48.82	257.16	267.38
Plant And Machinery	7,133.62	-	-	7,133.62	2,194.43	530.31	-	2,724.73	4,408.89	4,939.19
Electrical Installation	426.98	1.15	-	428.13	128.26	29.61	-	157.87	270.26	299.87
Computers	11,264.18	-	-	11,264.18	6,850.94	1,740.20	-	8,591.14	2,673.04	4,413.24
Office Equipment	68.09	-	-	68.09	28.60	2.25	-	30.85	37.24	39.49
Furniture & Fixtures	422.98	-	-	422.98	241.59	5.48	-	247.07	175.91	181.39
Vehicles	366.59	-	-	366.59	167.38	23.05	-	190.43	176.16	199.21
Leasehold Improvements	48.71	-	-	48.71	16.35	9.74	-	26.09	22.62	32.36
T O T A L (A)	**20,079.05**	**1.15**	**-**	**20,080.20**	**9,666.14**	**2,350.86**	**-**	**12,017.00**	**8,063.20**	**10,414.06**
Previous Year	19,850.90	246.23	16.39	20,079.05	6,108.91	3,569.33	11.95	9,666.15	10,413.21	13,740.78

Note : 12 B

Intangible Assets	Gross Block				Depreciation				Net Block	
Particulars	As at 1st Oct 2012	Additions	Del/ Adj	Ast at 30th Sep 2013	As at 1st Oct 2012	For the period	Del/ Adj	Ast at 30th Sep 2013	As on 30.09.2013	As on 30.09.2012
SOFTWARE	17,894.39	136.96	-	18,031.35	10,714.88	2,958.01	-	13,672.89	4,358.46	7,179.51
Good Will	**13,453.89**	**-**	**-**	**13,453.89**	**-**	**-**	**-**	**-**	**13,453.89**	**13,453.89**
Patents	6,875.75	-	-	6,875.75	880.05	-	-	880.05	5,995.70	5,995.70
T O T A L (B)	**38,224.03**	**136.96**	**-**	**38,360.99**	**11,594.93**	**2,958.01**	**-**	**14,552.94**	**23,808.05**	**26,629.10**
Previous Year	38,081.30	142.74	-	38,224.03	7,810.97	3,783.98	-	11,594.95	26,629.08	30,270.33
Gross Total (A+B)	58,303.08	138.11	-	58,441.19	21,261.07	5,308.87	-	26,569.94	31,871.25	37,043.16
Previous Year	57,932.20	388.97	16.39	58,303.08	13,919.88	7,353.31	11.95	21,261.10	37,042.29	44,011.11

Rupees in Lakhs

PARTICULARS	As at 30 Sep 2013	As at 30 Sep 2012
Note 17: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	**138,353.19**	77,640.81
Considered Doubtful	**435.42**	582.63
	138,788.61	78,223.44
Less: Provision for doubtful trade receivables	**(435.42)**	(582.63)
(A)	**138,353.19**	77,640.81
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	**367.61**	34,113.08
Considered Doubtful		
Less: Provision for doubtful trade receivables		
(B)	**367.61**	34,113.08
(A+B)	**138,720.80**	111,753.89
Note 18: Cash and bank balances		
Cash and cash equivalents		
Cash on Hand	**1.56**	1,871.17
Balances with Banks:		
In current accounts	**2,017.90**	781.97
In EEFC account	**0.95**	0.24
In Deposit accounts	**15.16**	-
Other bank balances		
In Ear marked Accounts		
Margin Money deposits	**245.20**	274.44
- In Dividend Account	**10.45**	13.20
Balance held as margin monies (Refer note below)		
	2,291.23	2,941.02
The Company has not provided for interest on some of the deposits		
Note 19: Short-term loans and advances		
Loans and advances to related parties	**-**	-
Security deposits	**185.86**	193.65
Loans and advances to employees	**31.14**	24.34
Prepaid expenses	**46.24**	363.42
MAT Credit Receivable		
CENVAT credit receivable	**-**	0.09
Service tax credit receivable	**-**	0.03
TDS receivable	**165.75**	113.22
Advances for supply of goods and rendering of services	**180.21**	1,273.69
Others	**8.55**	1,754.94
Less: Provision for Doubtful Advances	**(14.08)**	(14.08)
	603.69	3,709.30
Note 20: Other current assets		
Interest accrued but not due on deposits	**112.41**	96.99
Good will on consolidation		
Advance tax	**3,243.66**	3,383.12
	3,356.07	3,480.11

NOTES FORMING PART OF FINANCIAL STATEMENTS

Rupees in Lakhs

	Paticulars		Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 21: Revenue from operations				
A)	**Exports- Software**			
	Value Added	Domestic	-	4,229.51
	Self Developed	Exports	-	9,550.85
B)	**Manufacturing**		**988.57**	1,124.53
C)	**Trading**			
	Software			-
	Hardware		**14,337.25**	72,304.48
D)	**Services**		-	29,107.32
E)	**Other Operating Revenuew**			
	Sale of scrap		-	3.64
	Total		**15,325.82**	116,320.33

	Particulars of sale of products	Year Ended 30 Sep 2013		Eighteen Months Period ended 30 Sep 2012	
		Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
A	**Manufactured goods**				
	Cards & RFID	**2,024,011**	**988.57**	7,966,794	1,124.53
	Total	**2,024,011**	**988.57**	7,966,794	1,124.53
B	**Traded goods**				
	High sea sales		**14,337.25**		38,870.68
	Others		-		33,433.81
	Total		**14,337.25**		72,304.49
C	**Export Sales**				
	Value added software				4,229.51
	Self Deeloped Software				9,550.85
	Total		-		13,780.36
	Total		**15,325.82**		87,209.38

	Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 22: Other Income			
a)	Interest on deposit with banks and others	**25.08**	100.51
b)	Exchange gain(net)	**6,282.63**	2,791.56
c)	Creditors no longer payable	-	173.92
d)	Miscellaneous income	**11.29**	309.58
		6,319.00	3,375.57

Rupees in Lakhs

Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 23.a: Cost of materials consumed		
Opening Stock	268.32	1,362.65
Add : Purchases	305.01	3,262.70
	573.33	4,625.35
Less : Closing stock	288.89	268.32
	284.43	4,357.03

	Year Ended 30 Sep 2013		Eighteen Months Period ended 30 Sep 2012	
Details of raw materials consumed	**Qty (Nos.)**	**Rupees in Lakhs**	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	**3002741**	**305.01**	7153864	998.92
Sofware				3,358.81
Total	**3002741**	**305.01**	7153864	4,357.73
Note 23.b: Details of purchase of traded goods				
High sea purchases		**3,776.66**		35,685.08
Others		**8,788.04**		39,122.19
Total		**12,564.70**		74,807.27

Paticulars	**Year Ended 30 Sep 2013**	Eighteen Months Period ended 30 Sep 2012
Note 23.c: Changes in inventories of finished goods, work in progress and stock-in-trade		
Inventories at the beginning of the year:		
Finished goods	**206.66**	459.40
Work in progress	**32.86**	112.12
Stock in trade	**-**	-
	239.52	571.53
Inventories at the end of the year:		
Finished goods	**232.49**	206.66
Work in progress	**21.92**	32.86
Stock in trade	**-**	-
	254.41	239.52
Net (increase) / decrease	**(14.89)**	332.01
Note 24: Employee benefit expense		
Salaries, wages and bonus	**1,968.23**	4,151.34
Contribution to provident and other funds	**82.64**	160.46
Staff welfare expenses	**5.52**	57.43
	2,056.40	4,369.23

1. The Company has paid Directors Remuneration beyond the Statutory limits
2. Provision for Gratuity fund and leave encashment is made on ad hoc basis and not as per the acturial valuation as per AS-15. No bonus is provided in the accounts for the year under consideration.

Rupees in Lakhs

Paticulars	Year Ended 30 Sep 2013	Eighteen Months Period ended 30 Sep 2012
Note 25: Finance costs		
Interest expense on Borrowings	**5,029.27**	6845.7
interest on delayed payment of income tax	0.00	65.60
Others	**17.41**	434.60
	5,046.69	7,345.90
Note 26: Other expenses		
Advertisement	**125.77**	189.53
Bank charges	**9.94**	47.61
Service Related Expenses	**1,013.68**	14,796.58
Business promotion	0.02	14.54
Communication	60.01	219.40
Directors' Sitting fees	1.00	1.95
Donations	-	0.13
Factory maintenance	0.20	0.91
Insurance	**5.99**	146.15
Job work charges	**5.06**	4.21
Legal and professional	**110.66**	349.63
Loss on sale of fixed assets	-	13.57
Miscellaneous expenses	**69.89**	202.01
Other manufacturing expenses	0.05	2.15
Exchange Loss		12.10
Power and fuel	**19.76**	87.67
Payments to auditors (Refer Note (i) below)	**15.75**	150.86
Maintenance Charges-MCD		2.93
Printing and stationery	**38.22**	27.47
Project Expenses	**4.20**	65.07
Provision for doubtful trade receivables, loans and advances	-	96.56
Bad Debts	0.40	4,793.87
Rates and taxes	**1.31**	66.69
Rent	**35.13**	423.66
Lease rentals	**231.54**	724.23
Repairs and Maintenance-Machinery	**2.48**	4.47
Impairment of carrying cost of CWIP	-	4,093.40
Repairs and Maintenance-Others	**35.67**	43.06
RSBY Enrolment Expenses	**123.70**	481.35
Security Charges	**38.76**	139.16
Travelling and conveyance	**77.47**	660.38
	2,026.65	27,861.30

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

Name of the Entity	Country of Incorporation	Ownership in % either directly or through subsidiaries
Bartronics Asia Pte Ltd.	Singapore	100%
Bartronics Middle East FZE	UAE	100%

28. Contingent Liabilities:

Rs & USD. In Lakhs

Particulars	As At 30. 09. 2013	As At 30. 09. 2012
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	**Rs.590.14**	Rs.573.83
Corporate Guarantees	**$ 150**	$ 150

29. Claims Against The Company Not Acknowledged As Debts:

Disputed Taxes	As At 30. 09. 2013	As At 30. 09. 2012
Income Tax	**1965.33**	2,111.02
Sales Tax	**127.74**	5.95

30. Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,374.39 lakhs (30.09.2012 Rs. 8,312.07 lakhs)] Rs1,340.56 lakhs (30.09.2012: Rs. 1,555.54 lakhs).

31. Reserves & Surplus:

Securities Premium:

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.1194.91 Lakhs (30.09.2012 Rs. 789.79 Lakhs).

32. Unsecured Loans:

Foreign Currency Convertible Borrowings (FCCB):

The Company raised US$ 50 Million ('FCCB') on 04.01.2008 through the issue of zero coupon Foreign Currency Convertible Bonds which fell due for redemption in February 2013. Post this, your company had sought extension to the maturity of the bonds to November 4, 2013 from Reserve Bank of India and this request for the extension for the maturity of the bonds was granted by Reserve Bank of India vide their letters with letter number FED/CO/ ECBD/18554/03.02.775/2012-13 and letter number FED/CO/ ECBD/18554/03.02.775/2013-14. The company is in the process of filing request for another extension.

Movement of Foreign Currency Convertible Bonds is given below:

	As At 30.09.2013		As At 30. 09. 2012	
	FCCB (Redeemable in 2013)	Total	FCCB (Redeemable in 2013)	Total
Opening Balance	**26,325.00**	**26,325.00**	**22670.80**	**22670.80**
Add: FCCB raised during the year.	-	-	-	
Add: Foreign Exchange Loss (net)	**5,101.00**	-	3654.20	3654.20
Less: Foreign Exchange Gain (net)	-	-	-	
Closing Balance	**31,426.00**	-	**26,325.00**	**26,325.00**

33. Sales:

Self Developed Software

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

34. Related Party Disclosures:

1. Key Management Personnel

Mr. Sudhir Rao – Managing Director

A. Related Party Transactions:

Rs. in Lakhs

	Subsidiaries		Key Management Personnel	
Transactions	**2012-13**	2011-12	**2012-13**	2011-12
Diminution in value of Investment. Investments				
ROI Public Relations Pvt Ltd.	-	-	-	-
Advances Written-Off				
Advances to				
Remuneration Paid				
Mr. Sudhir Rao	-	-	82.18	82.18

35. Auditors' Remuneration

Rs in Lakhs

Particulars	2012-13	2011-12
Audit Fees	10.00	15.00
Limited Reviews	5.00	35.00
Other Services	0.75	--
Auditors of Subsidiaries		
Audit fees	--	3.21
Total	**15.75**	**53.21**

The above excludes applicable service tax and cess thereon.

36. Segment Reporting

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

b. Information relating to Secondary Segment based on geographical location

Rs. in Lakhs

Particulars	2012-2013	2011-2012
Segment Revenue		
- Within India	**880.29**	3,703.00
- Outside India	**14,445.53**	1,12,617.28
Total Revenue	**15,325.82**	1,16,320.33
Segment Assets		
- Within India	**33,989.48**	41,663.91
- Outside India	**1,60,138.53**	1,38,390.57
Total Assets	**1,94,128.01**	1,80,054.48
Segment Liabilities		
- Within India	**55,108.63**	56,121.75
- Outside India	**95,825.31**	75,571.90
Total Liabilities	**150,933.94**	1,31,693.65
Capital Expenditure		
Tangible Assets:		
- Within India	**1.15**	135.55
- Outside India	**--**	110.68
Intangible Assets:		
- Within India	**136.96**	90.09
- Outside India	**--**	52.65
Total Capital Expenditure	**138.11**	388.97

37. Composition of Deferred Tax Liability:

Rs. in Lakhs

Particulars	As At 30.09.2012	Movement During the Year	As At 30.09.2013
Deferred Tax Liability:			
Relating to Fixed Assets	3,917.34	-1313.98	**2603.36**
Total	3,917.34	-1313.98	**2603.36**
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	222.05	4.86	**226.91**
Disallowances under Section 43B	47.28	14.60	**61.88**
Total	269.33	**19.46**	**288.79**
Net Deferred Tax Liability	**3,648.01**	**-1333.44**	**2314.57**

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

38. Earnings Per Share:

Particulars	2012-13	2011-12
Profit after Taxation (Rs. in Lakhs)	**-3217.79**	-7137.10
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	**-3217.79**	-7137.10
Weighted average number of equity shares used in computing Basic Earnings Per Share	**34048861**	34048861
Add: Effect of potential equity shares on conversion of FCCB and Warrants outstanding	**--**	--
Weighted average number of equity shares used in computing Diluted Earnings Per Share	**34048861**	34048861
Earnings per share – Face Value: Rs.10/- each		
- Basic	**-9.45**	-20.96
- Diluted	**-9.45**	-20.96

39. Disclosures as required under Accounting Standard AS-15

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

(Rupees in lakhs

Expenses recoginsed in statement of profit and loss account			
Particulars	**Gratuity**	**Compensated Absences**	**Total**
Current Service Cost	**9.02**	**(43.10)**	**(34.08)**
	47.64	*39.35*	*86.99*
Interest Cost	**8.11**	**5.17**	**13.28**
	5.48	*2.64*	*8.12*
Actuarial (Gains)/Losses	**(66.77)**	**(5.17)**	**(71.94)**
	(2.12)	*(2.64)*	*(4.76)*
Total expense included in the Statement of Profit & Loss	**(49.64)**	**(43.10)**	**(92.74)**
	50.99	*39.35*	*90.34*
Net Liability recognized in Balance Sheet			
Present Value of Defined Benefit Obligation	**95.46**	**17.75**	**113.21**
	44.46	*60.85*	*105.31*
Fair Value on Plan Assets	**-**	**-**	**-**
	-	-	-
Net Liability recognised in Balance Sheet	**45.82**	**17.75**	**63.57**
	95.45	*60.85*	*156.3*
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	95.46	60.85	156.31
	44.46	*21.50*	*65.96*
Current Service Cost	9.02	(43.10)	(34.08)
	47.64	*39.35*	*86.99*
Interest Cost	8.11	5.17	13.28
	5.48	*2.64*	*8.12*
Actuarial (Gains)/Losses	(66.77)	(5.17)	(71.94)
	(2.12)	*(2.64)*	*(4.76)*
Benefits Paid	**-**	**-**	
	-	-	-
Present Value of DBO at the End of Period/Year	45.82	17.75	63.57
	95.45	*60.85*	*156.3*

Assumptions	
Interest / Discount Rate	**9.00%**
	8.50%
Rate of escalation in salary	7.00%
	7.00%
Attrition Rate	4.00%
	4.00%

Note: Figures in italics relate to previous year

Note: Only Provisions has been Made in the books but no payments were made.

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	2012-13	2011-12	2010-11	2009-10	2008-09
	Gratuity				
Present value of defined benefit obligation	**45.82**	95.45	44.46	46.47	18.59
Fair value of plan assets	-	-	-	-	
Status [Surplus / (Deficit)]	**(45.82)**	(95.45)	(44.46)	(46.47)	(18.59)
	Compensated Absences				
Present value of defined benefit obligation	**17.75**	60.85	21.5	7.25	14.71
Fair value of plan assets	-	-	-	-	
Status [Surplus / (Deficit)]	**17.75**	(60.85)	(21.5)	(7.25)	(14.71)

40. **Current Income Tax:**

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

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

42. The Company was awarded the "Aapke Dwar" Project in 2009 by the Municipal Corproation of Delhi (MCD). The project envisages availment of various Governments to Citizen (G2C) services. The Company is required to install and operate 2,000 kiosks at various locations in the city to facilitate the above. The Company has also the right to display advertisements on the external walls of the kiosks.

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,426.34 Lakhs(2011-12 : Rs. 1,426.34 lakhs). Further amounts aggregating to Rs. 13,688.82 Lakhs(2011-12:Rs. 13,474.47.10 lakhs)has been advanced for work to be carried out.

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

43. Due to no profits in the Company the remuneration of Directors as fixed by the members for the financial year 2012-13 is exceeding the permissible remuneration under the Companies Act, 1956 by 82.18 Lakhs. The Company is taking necessary steps.

44. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Place: Hyderabad	**Sudhir Rao**	**A.B.S.Reddy**
Date: 29.11.13	Managing Director	Director

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BARTRONICS INDIA LIMITED

Registered Office:

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

BARTRONICS
making businesses work

Form B

(Qualified/ Subject To/ Except For Audit Report)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

S. No	Particulars	Details
01	Name of the Company	M/s. Bartronics India Ltd.
02	Annual Financial Statement for the Year Ended	September 30, 2013
03	Type of Observation	Qualified
04	Frequency of observation	1) Points i and ii mentioned in item 5 below are repetitive in respect of the financial year ended September 30, 2013. 2) Point iii and iv mentioned in item 5 below have appeared for the first time.
05	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	i) Regarding uncertainties relating to MCD Project i.e. "Apke Dwar Project" ii) Regarding trade receivables of the company iii) Relating to FCCB iv) Regarding Managerial Remuneration Management's Comment: Please refer Directors' Report in the Annual Report for the financial year ended September 30, 2013
06	Additional comments from the board/audit committee chair:	Please refer to company explanation given in Annual Report
07	Signature:	
	Managing Director	Mr. Sudhir Rao
	Chief Financial Officer	Company does not have CFO
	Auditor of the Company	T.Raghavendra Mem. No.023806
	Audit Committee Chairman	Mr. Udai Sagar