



26th ANNUAL REPORT

2017 - 18

Bartronics India Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. K. Udai Sagar, Managing Director Mr. A. B. Satyavas Reddy, Director Mr. Shareq Jamil Ayaaz Mowla- Independent Director - Appointed w.e.f May 25, 2018 Mr. Krishna Kishore Madicharla- Independent Director – Appointed w.e.f May 25, 2018. Ms. Gaddam Varshitha - Independent Director – Appointed w.e.f May 25, 2018. Ms. Archana Kalra, Independent Director –Resigned w.e.f August 14, 2018. Mrs. V. Geetha, Independent Director - Resigned w.e.f May 30, 2018.
MANAGEMENT COMMITTEE	:	Mr. A. B. Satyavas Reddy Mr. K. Udai Sagar
AUDIT COMMITTEE	:	Mr. Shareq Jamil Ayaaz Mowla, Chairman Ms. Gaddam Varshitha, Member Mr. A. B. Satyavas Reddy, Member.
STAKEHOLDERS RELATIONSHIP	:	Mr. Krishna Kishore Madicharla , Chairman Ms. Gaddam Varshitha, Member Mr. A. B. Satyavas Reddy, Member Mr. K. Udai Sagar, Member
NOMINATION AND REMUNERATION COMMITTEE	:	Mr. Shareq Jamil Ayaaz Mowla, Chairman Ms. Gaddam Varshitha, Member Mr. A. B. Satyavas Reddy, Member
RISK MANAGEMENT COMMITTEE	:	Mr. Krishna Kishore Madicharla, Chairman Mr. Shareq Jamil Ayaaz Mowla, Member Mr. A. B. Satyavas Reddy, Member
COMPLIANCE OFFICER	:	Mr. K. Udai Sagar
STATUTORY AUDITORS	:	M/s. T. Raghavendra & Associates, Chartered Accountants, Hyderabad
INTERNAL AUDITORS	:	M/s. Kommula & Co., Chartered Accountants, Hyderabad

REGISTERED OFFICE :

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

CORPORATE OFFICE :

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

LISTING : EQUITY

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

BANKERS :

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

REGISTRAR & SHARE TRANSFER AGENTS :

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

NOTICE OF 26th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Friday, the 28th day of September, 2018 at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Ranga Reddy District, Telangana – 501 401, at 11.00 A.M., to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended on 31st March, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Avula Balliahgari Satyavas Reddy (DIN: 00137948) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s N. G. Rao & Associates (Membership No. 207300) Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 26th Annual General Meeting, for a single tenure of 5 (five) years (ie for the financial years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23) in place of M/s. T. Raghavendra & Associates (Membership No. 023806), Chartered Accountants, Hyderabad”.

“RESOLVED FURTHER THAT the remuneration shall be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do such acts, deeds and things and

to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution.”

SPECIAL BUSINESS:

4. To Appoint Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008), who was earlier appointed as an Additional Director (Independent Director) w.e.f, 25th May, 2018, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Shareq Jamil Ayaaz Mowla as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 25th May, 2018 to 24th May, 2023, whose period of office shall not be liable to retire by rotation”.

5. To Appoint Mr. Krishna Kishore Madicharla (DIN: 07582428) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Mr. Krishna Kishore Madicharla (DIN: 07582428), who was earlier appointed as

an Additional Director (Independent Director) w.e.f., 25th May, 2018, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Krishna Kishore Madicharla as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 25th May, 2018 to 24th May, 2023, whose period of office shall not be liable to retire by rotation”.

6. To Appoint Ms. Gaddam Varshitha (DIN: 08129521) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 [Including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, and provisions of Listing Agreement, Ms. Gaddam Varshitha (DIN: 08129521), who was earlier appointed as an Additional Director (Independent Director) w.e.f., 25th May, 2018, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Gaddam Varshitha as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 25th May, 2018 to 24th May, 2023, whose period of office shall not be liable to retire by rotation”.

BY ORDER OF THE BOARD

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

Place: Hyderabad
Date: August 29, 2018.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A

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

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

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

2. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to please bring your folio number/DP ID-Client ID to enable us to give you a duly filed attendance slip for your signature and participation at the meeting.
4. Members who holds shares in dematerialized form and want to change/correct the Bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR code of their Bank to their Depository participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the Bank account details. The Registrar is obliged to use only the data provided by the Depositories, in case of such demat shares.

5. Non-resident Indian Shareholders are requested to inform about the following immediately to the Share Transfer Agent or the concerned Depository as the case may be:-
 - a. the change of residential status on return to India for permanent settlement.
 - b. the particulars of NRE Account with a Bank in India, if not furnished earlier.
6. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 4, 5, 6 and 7 of the notice is annexed hereto.
7. Copy of the draft letters of appointment of Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also available @ www.bartronics.com.
8. The details under regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the uniform Listing Agreement with the Stock Exchanges in respect of Director seeking appointment/re-appointment at the Annual General Meeting is annexed hereto.
9. The Share Transfer Books and Register of Members of the Company will remain closed on September 27, 2018 to September 28, 2018 (Two days only).
10. Shareholders desiring any information as regards to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
11. The registration of share transfers and other related correspondence will be dealt with, by the Company at M/s. Bigshare Services Private Limited of Mumbai, having its branch office at 306, Right Wing, 3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
12. The shareholders / members of the Company, who are having equity shares of the Company in physical form, are advised to get dematerialized of their respective equity shares by way of surrendering their physical share certificates to the Registrar and Share Transfer Agents (RTA) of the Company (i.e., M/s Bigshare Services Pvt. Ltd., Hyderabad) through their respective Depository Participants. The shareholders /members, who are not having demat accounts are requested to open the demat accounts and thereafter approach the RTA for dematerialization of their equity shares.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants. Members holding shares in physical form can submit their PAN details to the RTA.
14. Electronic copy of the Annual Report for 2017-18 (including Notice of the 26th Annual General Meeting of the Company along with Attendance Slip and Proxy) is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not having email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.
15. Members holding shares in electronic form are requested to update the email id with their respective Depository Participants to receive all the communications in electronic mode.
16. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.bartronics.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days.
17. Voting through electronic means.

Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions said forth in the notice conveying the 26th Annual General Meeting. The business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The e-voting facility is available at the link www.evotingindia.com.

The e-voting facility will be available on and from 25th September, 2018 at 9.00 a.m., and ends on 27th September, 2018 at 5.00 p.m.

Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary (having CP No. 5360), Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2018 at 9.00 a.m., and ends on 27th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN <180830104> for the relevant Company <Bartronics India Limited> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

Item No. 04:

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 160 of the Act and the Articles of Association of the Company and Clause 49 of the Listing Agreement, proposes to appoint Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) who was appointed as Additional Director (Independent Director) on 25th May, 2018 by the Board of Directors, as Independent Directors of the Company who shall hold office for a term up to 5 (five) consecutive years with effect from 25th May, 2018 to 24th May, 2023 subject to his election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) as Independent Director of the Company.

The Company has also received declarations from Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) that he meets with criteria of Independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that he is eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

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

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

The details as stipulated under Regulations of the SEBI

(Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges are provided in Annexure to the Notice.

Mr. Shareq Jamil Ayaaz Mowla (DIN: 03597008) being an appointee is interested in the resolutions set out at Item No. 5 of the Notice with regard to his appointment.

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

This statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges.

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

The following statement sets out all material facts relating to the business mentioned in Item No. 05 of the accompanying Notice:

Item No. 05:

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 160 of the Act and the Articles of Association of the Company and Clause 49 of the Listing Agreement, proposes to appoint Mr. Krishna Kishore Madicharla (DIN: 07582428) who was appointed as Additional Director (Independent Director) on 25th May, 2018 by the Board of Directors, as Independent Directors of the Company who shall hold office for a term up to 5 (five) consecutive years with effect from 25th May, 2018 to 24th May, 2023 subject to his election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Mr. Krishna Kishore Madicharla (DIN: 07582428) as Independent Director of the Company.

The Company has also received declarations from Mr. Krishna Kishore Madicharla (DIN: 07582428) that he meets with criteria of Independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Krishna Kishore Madicharla (DIN: 07582428) is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the

Act, are of the opinion that he is eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

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

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

The details as stipulated under Regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges are provided in Annexure to the Notice.

Mr. Krishna Kishore Madicharla (DIN: 07582428) being an appointee is interested in the resolutions set out at Item No. 5 of the Notice with regard to his appointment.

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

This statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges.

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

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

Item No. 06:

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 160 of the Act and the Articles of Association of the Company and Clause 49 of the Listing Agreement, proposes to appoint, Ms. Gaddam Varshitha (DIN: 08129521) who was appointed as Additional Director (Independent Director) on 25th May, 2018 by the Board of Directors, as Independent Directors of the Company who shall hold office for a

term up to 5 (five) consecutive years with effect from 25th May, 2018 to 24th May, 2023 subject to his election as a Director by the members at this Annual General Meeting.

The Company has received notice in writing from a member, under Section 160 of the Act proposing the candidature of Ms. Gaddam Varshitha (DIN: 08129521), as Independent Director of the Company.

The Company has also received declarations from Ms. Gaddam Varshitha (DIN: 08129521), that she meets with criteria of Independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Ms. Gaddam Varshitha (DIN: 08129521), is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that she is eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement.

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

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

The details as stipulated under Regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges are provided in Annexure to the Notice.

Ms. Gaddam Varshitha (DIN: 08129521), being an appointee is interested in the resolutions set out at Item No. 6 of the Notice with regard to her appointment.

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

This statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Uniform Listing Agreement entered with the Stock Exchanges.

The Board recommends the Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

BY ORDER OF THE BOARD

Place: Hyderabad
Date: 29th August, 2018

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

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

Name of Director	Mr. Shareq Jamil Ayaz Mowla
Director Identification Number	03597008
Date of Birth	15/12/1977
Date of Appointment	25/05/2018
Expertise in specific functional areas	Vast experience in the field of General management
Qualification	Master's in Business Administration from International Management Institute, New Delhi
Directorship held in other public companies (excluding foreign companies)	Bartronics Global Solutions Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholder Relationship Committee).	Nil
Shareholdings in the Company	Nil
Relationship between the Directors inter-se	He is not related to any other Directors of the Company.

Name of Director	Mr. Krishna Kishore Madicharla
Director Identification Number	07582428
Date of Birth	16/07/1986
Date of Appointment	25/05/2018
Expertise in specific functional areas	Vast experience in improving operational efficiencies through his earlier association with firms such as Jones Lang LaSalle, Deloitte Inc.
Qualification	MBA
Directorship held in other public companies (excluding foreign companies)	Bartronics Global Solutions Limited
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholder Relationship Committee).	Nil
Shareholdings in the Company	Nil
Relationship between the Directors inter-se	He is not related to any other Directors of the Company.

Name of Director	Ms. Gaddam Varshitha
Director Identification Number	08129521
Date of Birth	01/08/1995
Date of Appointment	25/05/2018
Expertise in specific functional areas	Fair understanding on rural economy and handled many projects and assignments in the area of financial inclusion.
Qualification	Engineer in Computer Science
Directorship held in other public companies (excluding foreign companies)	Nil
Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholder Relationship Committee).	Nil
Shareholdings in the Company	Nil
Relationship between the Directors inter-se	She is not related to any other Directors of the Company.

DIRECTORS' REPORT

To the Members,

The Board of Directors have pleasure in presenting the Twenty Sixth Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

I. FINANCIAL PERFORMANCE:

Your Company has achieved a turnover of Rs. 7305.31 lakhs for the financial year ended 31st March, 2018 against the turnover of Rs. 7,531.31 lakhs for the previous year ended 31st March, 2017. Key highlights of financial performance of your Company for the financial year 2017-18 are provided below:

(Rupees in Lakhs)

Particulars	2017-2018 (12 months)	2016-2017 (12 months)
Profit Before Depreciation & Interest	1,483.33	675.3
Financial Costs	5,238.89	5187.35
Depreciation	589.82	606.89
Profit Before Tax	(4,345.38)	(5,118.94)
Provision for Tax		
- Current Tax	-	-
- Deferred Tax	(39.12)	(39.92)
Profit After Tax	(4,306.26)	(5,079.02)
Balance of profit brought forward from earlier years	(17,521.47)	(1,1715.39)
Add: Excess Provision for IT written off	-	-
Less : OCI	44.35	(727.06)
Profit available for appropriation	(21,783.38)	(1,7521.47)
Appropriations:		
Proposed Dividend:		
- Equity	-	-
- Preference	-	-
- Dividend Tax	-	-
Balance of Profit	(21,783.38)	(1,7521.47)

Business:

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

government driven projects give your company revenue visibility and we expect this momentum to continue given the un-deterred Government's focus.

Foreign Currency Convertible Bonds (FCCB):

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

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

Changes to Share Capital:

At present the Authorized Share Capital of the Company stands at Rs. 110 crores and the paid up capital stand at Rs. 34.04 crores there has been no change in the share capital during the period ended 31st March, 2018.

Consolidated Financial Statements:

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per provisions of Companies Act, 2013, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statement has been prepared in accordance with the relevant accounting standards as prescribed under Section 129, 133 of the Companies Act, 2013 and as per Schedule III of the Companies Act, 2013. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

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

Dividend:

In the absence of profit, your directors are unable to declare any dividend for the financial year 2017-2018.

Subsidiary Companies:

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

Bartronics Asia Pte Limited:

The Company was incorporated as a wholly owned subsidiary of Bartronics India Limited on 14th June 2007, in the Republic of Singapore with a Share Capital of US\$ 7,69,500. Bartronics Asia Pte Limited (BAPL) acquired the only issued share of Cason Limited on December 21, 2007; subsequently the name of the Company was changed to Bartronics Hong Kong Limited with effect from 15th October, 2008. In the month of April 2011, BAPL acquired the only share of Veneta Holdings Limited, Mauritius making it its wholly owned subsidiary. BAPL had incorporated another subsidiary in Mauritius named Burbank Holdings Limited.

Bartronics Middle East Fze:

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

A separate statement containing the salient features of the Financial Statement for the financial year ended 31st March, 2018 of the aforesaid Subsidiary Companies are included in the Annual Report as Form AOC-1 as an Annexure -I.

Particulars of Loans, Guarantees and Investments:

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

Contracts and Arrangements with Related Parties:

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

II. Business Outlook:

Your company started with proving solutions based on barcode has emerged as leading player in the country to provide solutions using umbrella of AIDC technologies. Your company also has state of the art manufacturing

facility with the capacity to manufacture 80mn smart cards per annum. Using these two synergies the company could successfully venture into Financial Inclusion projects driven by Reserve Bank of India popularly known as “Jan Dhan Yojana”. The exposure to government driven projects give your company revenue visibility and we expect this momentum to continue in the domestic markets given the un-deterred Government’s focus.

Management Discussion and Analysis Report:

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

III. Governance and Ethics:**Corporate Governance:**

Your Company believes in adopting best practices of corporate governance. A sound Corporate Governance is critical to enhance and retain stakeholders’ trust. Corporate Governance principles forms core values of the Company. These guiding principles are also articulated through the Company’s code of conduct, corporate governance guidelines, committees and disclosure policy. As per regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Mr. Y. Ravi Prasada Reddy, Company Secretary, on compliance with corporate governance norms under the Listing Regulations, forms part of the report on corporate governance.

Board of Directors and Key Managerial Personnel:

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

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

In accordance with the Articles of Association of the

Company, Mr. Avula Balliahgari Satyavas Reddy, is liable to retire by rotation and being eligible, offer himself for reappointment.

Mrs. Geetha Vavelakolanu, Independent Director of the Company resigned from the Board of Directors with effect from May 30th, 2018. The Board placed on record its appreciation for the outstanding contribution made by Mrs. Geetha Vavelakolanu.

Board of Directors has appointed Mr. Shareq Jamil Ayaz Mowla, Mr. Krishna Kishore Madicharla and Ms. Gaddam Varshitha as Additional Directors (Independent-Non Executive) of the Company w.e.f May 25th, 2018.

Mrs. Archana Kalara, Independent Director of the Company resigned from the Board of Directors with effect from August 14th, 2018. The Board placed on record its appreciation for the outstanding contribution made by Mrs. Archana Kalara.

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

None of the Directors of your Company is disqualified under Section 164 (2) of the Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

The Company had appointed Mr. Phaneendra Modali as the Company Secretary of the Company w.e.f November 14th, 2017. Further, Mr. Phaneendra Modali has resigned from the post of Company Secretary and Key Managerial Personnel w.e.f March 05th, 2017. Since then the Company is searching for an appropriate replacement.

Committees of the Board

The Company's Board has the following committees:

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

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

Number of Meetings of the Board:

The Board met 4 (Four) times during the financial year 2017-18 on 24th May, 2017, 10th August, 2017, 14th November, 2017 and 12th February, 2018. The maximum time gap between any consecutive meetings did not exceed 120 days.

Board Evaluation:

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

- Structured evaluation forms, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, for evaluation of the performance of the Board, its Committee's and each director were circulated to all the members of the Board along with the Agenda Papers.
- The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.
- The Board also provided an individual feedback to the concerned director on areas of improvement, if any.

A separate meeting of Independent Directors was held on 31st March, 2018 to evaluate the performance evaluation of the Chairman, the Non Independent Directors, the Board and flow of information from management.

Related Party Transactions

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

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

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

financial year are provided in Annexure-II included in this report.

Vigil Mechanism:

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

Directors' Responsibility Statement:

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

Particulars of Employees

Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided along with a statement containing, inter alia, names of employees employed throughout the financial year and in receipt of remuneration of Rs. 102 lakhs or more, employees employed for part of the year and in receipt of Rs. 80.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure IV to this report.

VI. Internal Financial Controls and Audit:

Internal Financial Controls and their Adequacy:

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

Risk Management:

The Risk Management policy of your Company is focused on ensuring that risks are known and addressed. The

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

The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. The board periodically tracks the progress of implementation of the Risk Management policy.

Statutory Auditors:

M/s N. G. Rao & Associates (Membership No. 207300), Chartered Accountants, Hyderabad (FRN: 009399S) are proposed to be appointed as auditors for a period of 5 years commencing from the conclusion of 26th AGM till the conclusion of the 31st AGM in place of M/s T. Raghavendra & Associates, Chartered Accountants [Registration No.003329S] whose term as the Statutory Auditor of the Company expires at the ensuing Annual General Meeting.

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

Accordingly, the approval of the Shareholders for the re-appointment of M/s N. G. Rao & Associates (Membership No. 207300), Chartered Accountants, Hyderabad (FRN: 009399S) as Auditors of the Company is being sought at the ensuing Annual General Meeting.

The Audit Committee and Board recommends the appointment of M/s N. G. Rao & Associates (Membership No. 207300), Chartered Accountants, Hyderabad (FRN: 009399S) as statutory Auditors of the Company from the conclusion of the 26th AGM till the conclusion of 31st AGM, to the shareholders for approval.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s T. Raghavendra & Associates, Chartered Accountants, Statutory Auditors, in their report for the financial year ended 31st March, 2018.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the

Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Y. Ravi Prasada Reddy, Practicing Company Secretary, to conduct Secretarial Audit of the Company.

The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2018 is enclosed at Annexure-V to the Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

V. Other Disclosures:

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

Extract of Annual Return:

Pursuant to section 92(3) and section 134(3)(a), extract of the Annual Return as on 31st March, 2018 in form MGT-9 is enclosed as Annexure VII to this report.

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

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

Insurance:

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

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

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

Sexual Harassment Policy:

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

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

Environment and Social Obligation:

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

Human Resource Management:

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

Acknowledgements and Appreciation:

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

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

BY ORDER OF THE BOARD

K. Udai Sagar
Managing Director
(DIN: 03298532)

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

Place: Hyderabad
Date: 29th August, 2018

Annexure - I to the Directors' Report

Form AOC-I

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

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

S. No.	Name of the Company	Financial Year of the Subsidiary Company ended on	Country of Incorporation	Percentage of Shareholding	Reporting currency and Exchange rate
1.	Bartronics Asia Pte. Ltd.	31.03.2018	Singapore	100%	USD
2.	Bartronics Middle East FZE	31.03.2018	UAE	100%	USD
Subsidiaries of Bartronics Asia Pte. Ltd					
3.	Bartronics Hong Kong Limited	31.03.2018	Hong Kong	100%	USD
4.	Veneta Holdings Limited	31.03.2018	Mauritius	100%	USD
5.	Bartronics Global Solutions Limited	31.03.2018	India	99%	INR
6.	Burbank Holdings Limited	31.03.2018	Mauritius	100%	USD

Name of the Subsidiary	Share capital	Reserves & Surplus	Total Liabilities	Total Assets	Investment	Turn-over	Profit before taxes	Provision for taxation	Profit after taxes	Proposed Dividend
Bartronics Asia Pte. Ltd	2,15,97,042	5,33,806	32,93,735	2,54,24,583	-	1,24,017	-24,434	-	-24,434	-
Bartronics Middle East FZE	41,096	8,06,713	73,42,646	2,04,52,342	-	-	-2,685	-	-2,685	-
Bartronics Hong Kong Limited	1	79,26,633	27,31,992	1,06,58,626	-	-	-	-	-	-
Veneta Holdings Limited	1	79,26,633	27,31,992	1,06,58,626	-	-	-	-	-	-
Bartronics Global Solutions Limited	10000	-3,48,116	11,42,905	8,04,789	-	5,72,764	1,74,410	-	1,74,410	-
Burbank Holdings Limited	100	-1,00,000	1,03,400	3,500	-	-	-	-	-	-

Part "B" : Associates and Joint Ventures

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

Route Map to the AGM Venue i.e

Bartronics India Ltd,

Survey No. 351,
Raj Bollaram Village,
Medchal Mandal,
RR District - 501 401,
Hyderabad.



Annexure - II to the Directors' Report**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and 7 Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

a)	Name(s) of the related party and nature of relationship)	Bartronics Asia Pte Ltd (BAPL) –Subsidiary
(b)	Nature of contracts / arrangements / transactions	1. Sales Transactions of Rs. 10.34 Lakhs 2. Advances of Rs. 179.50 Lakhs 3. Receivables against sales of Rs. 208.83 Lakhs
(c)	Duration of the contracts / arrangements/ transactions	Transactions had taken place during the period 1st April,2017 to 31st Mar,2018
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	General Business Transactions
(e)	Date(s) of approval by the Board, if any:	The companies had entered into these transactions for the ease of doing business and increasing efficiency.
(f)	Amount paid as advances, if any:	Nil

BY ORDER OF THE BOARD

K. Udai Sagar
Managing Director
(DIN: 03298532)

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

Place: Hyderabad
Date: 29th August, 2018

Annexure - III to the Directors' Report**Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the period ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note: 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the period ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BY ORDER OF THE BOARD

K. Udai Sagar
Managing Director
(DIN: 03298532)

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

Place: Hyderabad
Date: 29th August, 2018

Annexure-IV to the Directors' Report

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

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18, percentage increase in remuneration of each Director in the financial year 2017-18, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director / KMP (Designation)	Remuneration for FY 2017-18 (in lakhs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2017-18
01	K. Udai Sagar (Managing Director)	Nil	Nil	Nil

Notes:

- None of the other directors except as disclosed above draws any remuneration in the Company.
 - The median remuneration of employees of the Company during the financial year 2017-18 was Rs. 1.25 lakhs against the median remuneration of Rs.1.2 lakhs of the previous year.
 - The number of permanent employees on the rolls of Company as on 31st March, 2018 is 270.
- The Explanation on the relationship between average increase in remuneration and company performance:**
The average decrease in remuneration during the financial year 2017-18 is 3 %. The total employees cost for the financial year ended 31st March, 2018 is Rs.1040.31 lakhs against Rs. 1073.43 lakhs for the period ended 31st March 2017. During the year the Company achieved a total income of Rs. 7293.95 lakhs against Rs. 7278.46 lakhs of last year.
 - Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

Particulars	2017-18	2016-17
Total Revenue (Rs in lakhs)	7293.95	7278.46*
Aggregate Remuneration of Key Managerial Personnel (KMP) in F.Y.2017-18 (Rs. In lakhs)	Nil	Nil
Remuneration of KMPs (as a % of revenue)	0.00	0.00

*Note: Figures mentioned as per new Ind As

- Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer:**

Particulars	March 31st, 2018	March 31st, 2017	% of change
Market capitalization (Rs in lakhs)*	3268.69	4766.84	-31.43
Price Earnings Ratio	-	-	-

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

Particulars	March 31st, 2018	12th January, 2006 (IPO)	% of change
Market Price(BSE) (Rs)	9.55	10	-4.6
Market Price (NSE) (Rs)	9.60	10	-4

5. **Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year:** 10.00%
6. **Comparison of the each remuneration of the KMP against the performance of the Company:**

S. No.	Particulars of Remuneration	Managing Director
		K. Udai Sagar
1.	Remuneration in FY 2018 (Rs in Lakhs)	Nil
2.	Revenue in FY 2018 (Rs in Lakhs)	7293.95
3.	Remuneration as % of revenue	Nil

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

There is no variable component availed by any Director

8. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

Not applicable, since none of the directors in the Company took remuneration during the Financial Year 2017-18

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

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

Sl. No.	Name of the Employee	Designation	Date of joining	Gross Remuneration	Educational Qualification	Age	Experience (yrs)	Last Employment
1	-	-	-	-	-	-	-	-

Note: : No “Managerial Personnel” is applicable here.

Annexure - V to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To

The Members, **Bartronics India Limited**

Survey No. 351, Raj Bollaram Village, Medchal, Ranga Reddy District, Telangana – 501 401.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the period ended on 31st March, 2018 (consisting of 12 months from 01.04.2017 to 31.03.2018), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards etc. mentioned above.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, Shri K Udai Sagar (DIN: 03298532) and Shri A.B. Satyavas Reddy (DIN: 00137948) have disqualified because of non-filing of annual returns with Registrar of Companies (ROC) by the Companies in which they were directors.

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

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

For RPR & Associates

Company Secretaries

Y. RAVI PRASADA REDDY

Proprietor

FCS. No.: 5783

C.P. No.: 5360

Place: Hyderabad

Date: 29th August, 2018

This Report is to be read with our letter of even date which is annexed as Annexure and forms part of this report.

‘ANNEXURE - A’

To

The Members,

Bartronics India Limited

Survey No. 351, Raj Bollaram Village, Medchal, Ranga Reddy District, Telangana – 501 401.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For RPR & Associates

Company Secretaries

Y. RAVI PRASADA REDDY

Proprietor

FCS. No.: 5783

C.P. No.: 5360

Place: Hyderabad

Date: 29th August, 2018

Annexure - VI to the Directors' Report

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

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

e)	Efforts made in technology absorption.	Details given hereunder in Table- B.
----	--	--------------------------------------

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company has planned expansion of export markets.
Total foreign exchange used and earned.	Earned Rs. 533.43 Lakhs, Used Rs. 155.09 Lakhs.

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

	2017-18	2016-17
Units (KWH)	2,48,776	5,87,212
Total amount (Rs.)	28,75,987	46,26,433
Rate/units (Rs)	11.56	7.88
Diesel	-	-

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

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

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

Annexure - VII to the Directors' Report

Form MGT- 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Engaged in the manufacturing of Smart cards and RFID (Radio Frequency Identification) equipments	Group : 368 Class : 368.9	14.76%
2	Financial Inclusion Project and Services	-	85.24%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bartronics Asia Pte Limited	Foreign Company	Subsidiary	100	2(87)
2	Bartronics Middle east FZE	Foreign Company	Subsidiary	100	2(87)
Subsidiaries of Bartronics Asia Pte Ltd.					
3	Bartronics Hongkong	Foreign Company	Subsidiary	100	
4	Veneta Holdings Limited	Foreign Company	Subsidiary	100	
5	Bartronics Global Solutions Limited	U72200TG2011PLC074715	Subsidiary	99.9	
6	Burbank Holdings Limited	Foreign Company	Subsidiary	100	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	372797	0.00	372797	1.09	372797	0.00	372797	1.09	-
b) Central Govt	-	-	-	-					
c) State Govt (s)	-	-	-	-					
d) Bodies Corp.	3218390	0.00	3218390	9.45	3218390	-	3218390	9.45	-
e) Banks / FI	-	-	-	-					
f) Any Other....	-	-	-	-					
Sub-total (A) (1):-	3591187	0.00	3591187	10.55	3591187	0.00	3591187	10.55	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	0	0	0.00	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3591187	0.00	3591187	10.55	3591187	0.00	3591187	10.55	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	665500		665500	1.95	702650	-	702650	2.06	0.11
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	665500	-	665500	1.95	702650	-	702650	2.06	0.11
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3263695		3263695	9.59	2884592	-	2884592	8.47	1.12
ii) Overseas	500		500	0.00	500	-	500	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21216152	192	21216152	62.31	21352796	192	21352988	62.71	0.39
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4185679		4185679	12.29	4103733	-	4103733	12.05	(0.24)

c) Others (specify)	-	-	-	-	24638		24638	0.07	0.07
i) Trusts	1450		1450	0.00	1450	0	1450	0.00	0.00
ii) Non Resident Indians	1394366		1394366	4.10	1281125	-	1281125	3.76	(0.34)
iii) Clearing members	172059		172059	0.51	105998	-	105998	0.31	(0.20)
Sub-total (B)(2):-	29791982	192	29791982	87.50	29754832	192	29755024	87.39	(0.11)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	30457482		30457482	89.45	30457674		30457674	89.45	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	34048861		34048861	100.00	34048861		34048861	100.00	

ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	Shareholding at the beginning of the period			Share holding at the end of the period			% change in share holding during the period
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Shri A.B. Satyavas Reddy	372797	1.09	0	372797	1.09	0	0
2	M/s Satya Straps & Packing Technologies Limited	1018390	2.99	15000	1018390	2.99	15000	0
3	M/s Info tech Infn & Trading Pvt Ltd	2200000	6.46	0	2200000	6.46	0	0
	Total	3591187	10.55	15000	3591187	10.55	15000	0

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

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
NIL	-	-	-	-
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the End of the period	-	-	-	-

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

Sr. No.	NAME	No. of Shares at the beginning/End of the year	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	INFO TECH INFIN AND TRADING PRIVATE LIMITED	22,00,000	1-Apr-17	0	Transfer	22,00,000	6.46
			18-Sep-17	-2200000	Transfer	0	0.00
			19-Sep-17	2200000	Transfer	22,00,000	6.46
		22,00,000	31-Mar-18	0	Transfer	22,00,000	6.46
2	INDIAN OVERSEAS BANK	6,65,500	1-Apr-17	0	Transfer	6,65,500	1.95
			18-Sep-17	-665500	Transfer	0	0.00
			19-Sep-17	665500	Transfer	6,65,500	1.95
		6,65,500	31-Mar-18	0	Transfer	6,65,500	1.95
3	PROFITMART SECURITIES PRIVATE LIMITED	0	1-Apr-17		Transfer	0	0.00
			7-Jul-17	123974	Transfer	1,23,974	0.36
			14-Jul-17	-123974	Transfer	0	0.00
			28-Jul-17	225185	Transfer	2,25,185	0.66
			11-Aug-17	350000	Transfer	5,75,185	1.69
			25-Aug-17	5000	Transfer	5,80,185	1.70
			15-Sep-17	32865	Transfer	6,13,050	1.80
			18-Sep-17	-613050	Transfer	0	0.00
			19-Sep-17	613050	Transfer	6,13,050	1.80
			13-Oct-17	65102	Transfer	6,78,152	1.99
			20-Oct-17	-64102	Transfer	6,14,050	1.80
			3-Nov-17	-1000	Transfer	6,13,050	1.80
			5-Jan-18	25	Transfer	6,13,075	1.80
		6,13,075	31-Mar-18	0	Transfer	6,13,075	1.80
4	NAMAN FINANCE AND INVESTMENT PRIVATE LIMITED	4,41,919	1-Apr-17	0	Transfer	4,41,919	1.30
			18-Sep-17	-441919	Transfer	0	0.00
			19-Sep-17	441919	Transfer	4,41,919	1.30
		4,41,919	31-Mar-18	0	Transfer	4,41,919	1.30
5	SUDHIR SUNDAR RAO .	4,00,780	1-Apr-17	0	Transfer	4,00,780	1.18
			18-Sep-17	-400780	Transfer	0	0.00
			19-Sep-17	400780	Transfer	4,00,780	1.18
		4,00,780	31-Mar-18	0	Transfer	4,00,780	1.18
6	AJIT CHANDRARAJ	2,06,579	1-Apr-17	0	Transfer	2,06,579	0.61
			18-Sep-17	-206579	Transfer	0	0.00
			19-Sep-17	206579	Transfer	2,06,579	0.61
		2,06,579	31-Mar-18	0	Transfer	2,06,579	0.61
7	ASHOK WALIA	2,00,000	1-Apr-17	0	Transfer	2,00,000	0.59
			18-Sep-17	-200000	Transfer	0	0.00
			19-Sep-17	200000	Transfer	2,00,000	0.59
		2,00,000	31-Mar-18	0	Transfer	2,00,000	0.59
8	ATLAS SOFTWARE TECHNOLOGIES INDIA PVT LTD	1,69,379	1-Apr-17	0	Transfer	1,69,379	0.50
			18-Sep-17	-169379	Transfer	0	0.00
			19-Sep-17	169379	Transfer	1,69,379	0.50
		1,69,379	31-Mar-18	0	Transfer	1,69,379	0.50
9	R A J N I K A N T CHUNILAL SHAH	0	1-Apr-17		Transfer	0	0.00
			12-Jan-18	35750	Transfer	35,750	0.11
			23-Feb-18	40000	Transfer	75,750	0.22
			2-Mar-18	90000	Transfer	1,65,750	0.49
			9-Mar-18	-20000	Transfer	1,45,750	0.43
		1,45,750	31-Mar-18	0	Transfer	1,45,750	0.43

10	KARVY STOCK BROKING LIMITED- CLIENT' ACCOUNT- BSE CM	1,30,900	1-Apr-17	0	Transfer	1,30,900	0.38
			7-Apr-17	245	Transfer	1,31,145	0.39
			14-Apr-17	15008	Transfer	1,46,153	0.43
			21-Apr-17	-17810	Transfer	1,28,343	0.38
			28-Apr-17	14509	Transfer	1,42,852	0.42
			5-May-17	-1920	Transfer	1,40,932	0.41
			12-May-17	9072	Transfer	1,50,004	0.44
			19-May-17	-2630	Transfer	1,47,374	0.43
			26-May-17	-5288	Transfer	1,42,086	0.42
			2-Jun-17	-341	Transfer	1,41,745	0.42
			9-Jun-17	1851	Transfer	1,43,596	0.42
			16-Jun-17	4201	Transfer	1,47,797	0.43
			23-Jun-17	-72	Transfer	1,47,725	0.43
			30-Jun-17	1533	Transfer	1,49,258	0.44
			7-Jul-17	-1141	Transfer	1,48,117	0.44
			14-Jul-17	-1782	Transfer	1,46,335	0.43
			21-Jul-17	-10885	Transfer	1,35,450	0.40
			28-Jul-17	-1844	Transfer	1,33,606	0.39
			4-Aug-17	-601	Transfer	1,33,005	0.39
			11-Aug-17	4055	Transfer	1,37,060	0.40
			18-Aug-17	-9254	Transfer	1,27,806	0.38
			25-Aug-17	-1083	Transfer	1,26,723	0.37
			1-Sep-17	705	Transfer	1,27,428	0.37
			8-Sep-17	-190	Transfer	1,27,238	0.37
			15-Sep-17	-3300	Transfer	1,23,938	0.36
			18-Sep-17	-123938	Transfer	0	0.00
			19-Sep-17	125830	Transfer	1,25,830	0.37
			22-Sep-17	300	Transfer	1,26,130	0.37
			26-Sep-17	-375	Transfer	1,25,755	0.37
			29-Sep-17	111	Transfer	1,25,866	0.37
			6-Oct-17	-166	Transfer	1,25,700	0.37
			13-Oct-17	1101	Transfer	1,26,801	0.37
			20-Oct-17	-3626	Transfer	1,23,175	0.36
			27-Oct-17	646	Transfer	1,23,821	0.36
			31-Oct-17	-3596	Transfer	1,20,225	0.35
			3-Nov-17	-1450	Transfer	1,18,775	0.35
			10-Nov-17	8664	Transfer	1,27,439	0.37
			17-Nov-17	1761	Transfer	1,29,200	0.38
			24-Nov-17	-2407	Transfer	1,26,793	0.37
			1-Dec-17	-1790	Transfer	1,25,003	0.37
			8-Dec-17	2147	Transfer	1,27,150	0.37
			15-Dec-17	-21363	Transfer	1,05,787	0.31
			22-Dec-17	-737	Transfer	1,05,050	0.31
			29-Dec-17	-319	Transfer	1,04,731	0.31
			5-Jan-18	-165	Transfer	1,04,566	0.31
			12-Jan-18	-7251	Transfer	97,315	0.29
			19-Jan-18	831	Transfer	98,146	0.29
			26-Jan-18	-1770	Transfer	96,376	0.28
			2-Feb-18	-2252	Transfer	94,124	0.28
			9-Feb-18	521	Transfer	94,645	0.28
			16-Feb-18	-1086	Transfer	93,559	0.27
			23-Feb-18	5391	Transfer	98,950	0.29
			2-Mar-18	-1910	Transfer	97,040	0.29
			9-Mar-18	-6	Transfer	97,034	0.29
			16-Mar-18	-1119	Transfer	95,915	0.28
			23-Mar-18	3998	Transfer	99,913	0.29
			30-Mar-18	-4132	Transfer	95,781	0.28
		95,781	31-Mar-18	0	Transfer	95,781	0.28

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the period		Cumulative Shareholding during the period	
	At the beginning of the year	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. A. B. Satyavas Reddy	372797	1.09	372797	1.09
	Mr. K. Udai Sagar	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	372797	1.09	372797	1.09
	At the End of the period	372797	1.09	372797	1.09

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	38,487.16	33,845.91	-	72,333.07
Interest due but not paid	11,756.22	-	-	11,756.22
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50,243.38	33,845.91	-	84,089.29
Change in Indebtedness during the financial year				
Addition	5,239.61	49.43	-	5289.04
Reduction	-	-	-	-
Net Change	5239.61	49.43	-	5289.04
Indebtedness at the End of the financial year				
Principal Amount	40,630.76	33,895.34	-	74,526.10
Interest due but not paid	14,852.23	-	-	14,852.23
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	55482.99	33,895.34	-	89,378.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount
		Mr. K. Udai Sagar	
1.	Gross salary		
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0
b.	Value of perquisites u/s17(2) Income-tax Act,1961	0	0
c.	Profits in lieu of salary underSection 17(3) Income-tax Act, 1961	0	0
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
-	as%of profit	Nil	Nil
-	others, specify...		
5.	Others	Nil	Nil
	Total(A)	0	0
	Ceiling as per the Act	Rs. 60,00,000 as per Schedule V	

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

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Archana Kalara	Mrs. Geetha Vavelakolanu	Mrs. A. Syamala Reddy*	
3. Independent Directors					
• Fee for attending board/committee meetings		30,000	40,000	10,000	80,000
• Commission		0	0	0	0
• Others, please specify		0	0	0	0
Total(1)		30,000	40,000	10,000	80,000
4. Other Non-Executive Directors		Mr. A. B. Satyavas Reddy			
• Fee for attending board/committee meetings		Nil			Nil
• Commission		Nil			Nil
Total (2)		Nil			Nil
Total (B)=(1+2)		30,000	40,000	10,000	80,000
Total Managerial Remuneration		Nil			
Overall Ceiling as per the Act		Within the Limits of Section 197 and Schedule			

*Note :- Mrs. A. Syamala Reddy resigned w.e.f 29th June, 2017

C. Remuneration to Key Managerial Personnel other than Managing Director:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Isharath Unnisa Begum (From 01.04.2017 to 31.05.2017)	Mr. Phaneendra Modali (From 14.11.2017 to 05.03.2018)s
Gross salary			
1. • Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		Rs. 1,38,300/- p.m.	Rs. 72,000/- p.m.
• Value of perquisites u/s17(2) Income-tax Act, 1961		Nil	Nil
• Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		Nil	Nil
2. Stock Option		Nil	
3. Sweat Equity		Nil	
4. Commission			
• as% of profit		Nil	
• others, specify...			
5. Others, please specify		Nil	
Total		Rs. 1,38,300/-	Rs. 72,000/-

Note: Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Management Discussion and Analysis

Overview: This is your company's 26th Annual Report and highlights of the journey thus far are mentioned below:

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 its offices in 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.

Your company had streamlined its abilities and technologies to enter into Financial Inclusion business and has emerged as a formidable player in this field.

Business Scenario

During the concluded financial year, the Indian GDP slowed to 6.70% from 7.10% registered during previous year. The figure show slower growth compared to the previous year owing the effects of demonetization and remonetization exercise undertaken the Government. The manufacturing and services sector too were impacted. This drive had severely impacted cash intensive business environment in the country. However, it also gave much needed push towards digital transactions aimed at reducing the dependency on cash for business. The year gone by saw the situation slowly turning back to normal. Through this push, more number of citizen today at the grass-root level are open to do a transaction through a banking channel.

Although it is yet to yield meaning results, "Make in India" continues to be one of Government's important drives. During the year, your company was trying to consolidate its smart cards manufacturing. Your company's manufacturing facility was the differentiating factor with which it was successful in winning and retaining key Financial Inclusion projects from various banks; popularly known as 'Jan-Dhan Yojana'. However, emerging head-winds globally restricts company's growth

only to domestic markets which gets clearly reflected in company's financial performance.

Telecom industry, largest B-to-B consumer of Smart Cards, which witnessed a period of transition during previous two years, has stabilized. Entry of new large player, migration of existing players in CDMA technology to GSM technology etc. had resulted in spike in the demand for Smart Cards have now moderated and normalized.

For current year, Management believes that your company may perform in-line with industry. However, substantial exposure to government initiatives gives your company certain degree of revenue visibility; however, for the company to retain its growth trajectory, it hopes to address certain risks to growth along with improvement in business environment, globally.

Key Developments

Indian Operations:

Your company continues to tread the path leading to consolidation of the business around quality clients and focus on such projects which help the company with revenue visibility and operational stability.

Evidently, this has resulted into reduced dependency of the company on generating revenues from providing End-to-End solutions using AIDC technologies. This section of the company was highest revenue generating division few years back. Today, Financial Inclusion Projects and Manufacturing of Smart Cards are amongst highest revenue generating streams for the company while the company wants to focus providing End-to-End solutions using AIDC technologies only around quality clients.

During the year, the company was able to consolidate its Financial Inclusion Business despite facing stiff competition. Company's value proposition includes captive manufacturing facility and the ability of providing complete solutions has greatly differentiated your company from others.

Steps that your company had taken previously has indeed created an organization which is having strong base of quality customers and a scalable model on which your company will ride into growth phase.

Outstanding FCCBs:

Bartronics India Ltd. had issued Foreign Currency Convertible Bonds (FCCB) for an aggregate sum of USD 50mn in January 2008. These bonds got matured in February 2013. In this regard the company had filed

a request for an extension of the maturity of the bonds to May 4, 2014 with Reserve Bank of India which was granted by them vide their letter dated February 21, 2014.

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

Bank Dues:

Owing to the attractive business that the company is into, your Company was able to identify an investor who would clear all the debts on the books of the company. During past many quarters, the Company, along with the investor, has had series of discussions and consequently the Investor had submitted proposal settling Bank dues. As a process, each Bank need consent from their respective Boards before such proposals are approved & executed. Currently, not all banks have accorded their consent and the proposal is still under consideration. In accordance to the discussions with the banks; the Investor will settle the dues with the Banks once consent from all Banks is in place.

Risk:

The Company believes this to be the most appropriate approach in addressing its debt position considering its current size of business and cash flow situation. However, given the competitive business landscape, it will be challenging for the company to retain this Investor's interest for too long and any delay in getting Banks' response poses material risk to the future of your Company

International Operations:

Your company had started international operations with an intention of accessing vast opportunities which seemed to have existed. These operations had been facing extremely challenging times; and the situation has not changed much this year. Despite putting valiant efforts; since these operations aren't yielding desired results; in

the best interest of its stakeholders, your company may have to take a relook into these operations.

Future Growth: Management has identified the following growth drivers

- A) A) Financial Inclusion Business: Your Company has emerged as a leader in providing services in financial inclusion domain and has been able to secure these contracts which have tenures ranging from 3 years to 5 years which clearly provides reasonable revenue visibility.
- B) Smart Card Manufacturing: Your Company has one of largest and one of the best Smart Card Manufacturing facilities. During the year, this facility has aptly supported financial inclusion projects. In order to improve capacity utilization; the company has been looking for long term contracts and was able to win one such long term, large scale contract this year. Your company continues to have such focus on long term contracts which can directly contribute to financial performance of the company.

Human Capital:

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

Research and Development: Your Company invests considerable resources on Research and Development so as to ensure that it is continuously improves its products and services. In the excessive competitive landscape, your company understands that the success will largely depend on how we can differentiate ourselves from others in terms of quality of services which include reduced turnaround time.

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 more than 5000 villages through your company. However, technologies under AIDC are still in acceptance stage in the country which has lot of room for deeper penetration of existing markets and also expansion into newer markets/ geographies. These provide huge potential for your company. Financial Inclusion as an initiative of the Government of India and Reserve Bank of India are still in the early stages of the implementation in the country. It still needs to reach wider spectrum of citizens of India. Your company, already being a dominant player in this space identifies this as a potential growth opportunity.

Risks and Concerns:

1. Technology Obsolescence

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

2. New capacity creation in Smart Cards manufacture:

At present there are around eight established manufacturers of Smart Cards, including your company. With large avenues opening up in FI, E –Governance, Payment Systems etc., 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.

5. Bank Dues:

In order to clear its debt, the company has identified an Investor who has submitted his proposal to Banks. Any delay from Banks in giving their consent poses risk to the growth of the company.

Risk Mitigation:

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

Discussion on financial performance with respect to operational performance:

Your Directors hereby report that the Company has achieved a turnover of Rs. 7,538.71 lakhs upto March 31, 2018, consisting of Twelve (12) months, as against the turnover of Rs 8,526.63 lakhs for the previous year ended March 31, 2017 consisting of Twelve (12) months. The highlights of the financial results are given below:

CONSOLIDATED FINANCIAL RESULTS:

Rupees in Lakhs

Particulars	Year	Year
	2017-18	2016-17
Net Sales	7,538.71	8,526.63
Other Operating Income	203.13	19.17
Total Income	7,741.84	8,545.80
Total Expenditure	6,134.53	7,862.11
EBIDTA	1,607.31	683.69
Interest	5,238.89	5,187.35
PBDT	(3,631.58)	(4,503.66)
Depreciation & Amortization	591.91	637.77
PBT	(4,223.49)	(5,141.43)
Tax Expense	39.13	39.92
Other Comprehensive Income	44.35	(727.06)
PAT	(4,140.03)	(5,828.57)

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:

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

REPORT ON CORPORATE GOVERNANCE

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

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

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

The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

II. BOARD OF DIRECTORS:**Composition of the Board of Directors & Procedure:**

As at 31st March, 2018, our Board has 4 Directors of which 1 is Promoter & Non-Executive Director, 2 are Independent Directors and 1 is Executive Director who is the Managing Director of our Board. All the Independent Directors are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

All the Directors on the Board of the Company have made necessary declarations / disclosures regarding their other directorships along with Committee positions held by them in other Companies. No Director is related to any other Director on the Board in terms of the definition of

“relative” as defined in Section 2(77) of the Companies Act, 2013.

The Board of Directors oversees the overall functioning of the Company on a continuous basis. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Chairman and Managing Director are assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company. All managerial decisions, material positive/negative developments and statutory matters are presented to the Committees of the Board and later with the recommendation of Committee to the Board of Directors for their approval.

The Board met 4 (Four) times during the financial year 2017-18 On 24th May, 2017, 10th August, 2017, 14th November, 2017 and 12th February, 2018. The maximum time gap between any consecutive meetings did not exceed 120 days.

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

The details of composition of the Board of Directors as at 31st March, 2018, the attendance record of the Directors at the Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting (AGM) and as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given below as as given below:

Sl. No.	Name of the Director	Other Directorships*	Committee positions in other companies****		No. of Board Meetings attended out of 5 meetings held during the year	Attended last A.G.M.
			As Chairman	As member		
Executive Director- Managing Director						
1.	Mr. K. Udai Sagar,	3	-	-	5	Yes
Promoter-Non-Executive Director						
2.	Mr. A. B Satyavas Reddy	5	-	-	4	Yes
Independent & Non-Executive Directors						
3.	Mrs. V. Geetha	2			4	yes
4.	Mrs. Archana Kalara	-	-	-	3	Yes

Notes:

* including private limited Companies

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

Change in Composition of Board of Directors:

1. Mrs. Archana Kalara has resigned from the Board of the Company w.e.f August 14, 2018.
2. Mrs. Geetha Vavelakolanu has resigned from the Board of the Company w.e.f May 30, 2018.

Independent Directors Meeting:

The Independent Directors met on 31st March, 2018 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

III. BOARD COMMITTEES

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

i. Audit Committee:

The main objective of the Audit Committee of your Company is to monitor and effectively supervise the financial reporting process of your Company with a view to provide accurate, timely and proper disclosures. The Committee is empowered with the powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

The Audit Committee of the Board, reviews, acts on and reports to our Board with respect to various auditing and accounting matters. The primary responsibilities of the Committee, inter-alia, are;

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

The Audit Committee met 4 (Five) times during the financial year 2017-18, On 24th May, 2017, 10th August, 2017, 14th November, 2017 and 12th February, 2018 respectively. The necessary quorum was present at the meetings.

The Audit Committee of the Company comprises of three members, one of them, the Chairman is an Independent Director, one of the members is a Non-Executive Director and one is Independent Director. All the members of the Audit Committee are financially literate. The Chairman of the Audit Committee was present at Annual General Meeting held on 26th Sep, 2017.

Composition of the Audit and details of attendance of members at its meetings during the year 2016-17 is given below:

S. No.	Name of Director	Designation	No. of Meetings Attended
1.	Mr. A.B. Satyavas Reddy	Member	4
2.	Mrs. V. Geetha	Chairman	4
3.	Mrs. Archana Kalara	Member	3

Changes in Composition of Audit Committee:

1. Mrs. Archana Kalara has resigned from the Board of the Company w.e.f August 14, 2018.
2. Mrs. Geetha Vavelakolanu has resigned from the Board of the Company w.e.f May 30, 2018.

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

ii. Nomination and Remuneration Committee

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

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

During the financial year 2017-18, one meeting of the Nomination and Remuneration Committee was held on 14th November, 2017. The necessary quorum was present at the meeting.

S. No.	Name of Director	Designation
1.	Mr. A.B. Satyavas Reddy	Member
2.	Mrs. V. Geetha	Member
3.	Mrs. Archana Kalara	Chairman

Changes in Composition of Nomination and Remuneration Committee:

1. Mrs. Archana Kalara has resigned from the Board of the Company w.e.f August 14, 2018.
2. Mrs. Geetha Vavelakolanu has resigned from the Board of the Company w.e.f May 30, 2018.

Remuneration policy

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

Remuneration packages paid to the Executive Director during the period:

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

Sitting Fee details:

Sl. No.	Name of the Director	Sitting fee paid During the year (Rs.)
1.	Mrs. Archana Kalara	Rs.30,000
2.	Mrs. V. Geetha	Rs.40,000
	Total	Rs.70,000

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

Shareholding of Directors as on 31st March, 2018:

The following table sets out the shareholdings of the Directors in the Company as at 31st March, 2018:

Name of the Director	Designation	No. of Shares held
Mr. K. Udai Sagar	Managing Director	0
Mr. A. B. Satyavas Reddy	Promoter and Non-Executive	3,72,797
Mrs. V. Geetha	Independent and Non-Executive Director	0
Mrs. Archana Kalara	Executive Director	0
	Independent and Non-Executive Director	0

iii. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee functions in compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations and its scope includes, to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, other shareholders related queries, etc.

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

S. No.	Name of Director	Designation
1.	Mrs. V. Geetha	Chairman
2.	Mr. A.B. Satyavas Reddy	Member
3.	Mr. K. Udai Sagar	Member

Changes in Composition of Stakeholders Relationship Committee since the date of last AGM held on 26th Sep, 2017:

1. Mrs. Geetha Vavelakolanu has resigned from the Board of the Company w.e.f May 30, 2018.

Compliance Officer:

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

Status Report of investor queries and complaints for the period from 1st April, 2016 to 31st March, 2017 is given below:

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

iv. Management Committee:

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

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

v. Risk Management Committee

As per Regulation 21 of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015, the Company is required to constitute a Committee viz., 'Risk Management Committee' of the Board of Directors of the Company consisting of three or more Director. Following are the members of the Committee:

S. No.	Name of Director	Designation
1.	Mrs V. Geetha	Member
2.	Mr. Archana Kalara	Chairman
3.	Mr. A. B. Satyavas Reddy Promoter & Non-Executive Director	Member

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

Note:

- 1) Mrs. Archana Kalara is appointed as Chairman of the Nomination and Remuneration Committee and Risk Management Committee w.e.f August 10th, 2017.
- 2) Mrs. V. Geetha is appointed as Chairman of the Stakeholders Relationship Committee w.e.f 30th June, 2016 and Audit Committee Meeting w.e.f. 29th June, 2017.

IV. GOVERNANCE THROUGH MANAGEMENT PROCESS

Code of conduct:

The Company has adopted a Code of Conduct as required under Companies Act, 2013 and Listing Regulations, which applies to all the Board Members, Independent Directors and Senior Management of the Company. The Board Members, Independent Directors and Senior Management personnel have affirmed their compliance with the Code on annual basis and their confirmations have been received in this regard. The Code of Conduct has been posted on the Company's website. A separate declaration to this effect signed by the Managing Director is attached.

The Board has laid down a "Code of Conduct" for the prevention of "Insider Trading" in pursuance of the

Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information. The Board Members and Senior Personnel have affirmed the compliance with the Code.

Disclosure Policy:

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

Policy for Determining Material Subsidiary:

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

Policy for Preservation of Documents:

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

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

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

Disclosure of Accounting Treatment:

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

CEO & MD Certificate:

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

Management Discussion and Analysis Report:

Management Discussion and Analysis Report form a part of this Annual Report and is in accordance with the requirements as laid down under Regulation 34 (2) of the Listing Regulations.

V. GENERAL BODY MEETING:

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

Accounting Year	Date	Location of Meeting	Time	Special resolutions passed
2016-17	26th Sep, 2017	Registered Office of the Company Survey No. 351, Raj Bollaram Village Medchal Mandal, RR Dist, TS – 501401	11.00 a.m.	1. To Appoint Mr. Archana Kalra (DIN 07916152) as an Independent Director of the Company.

2015-16	26th Sep, 2016	Registered Office of the Company Survey No. 351 Raj Bollaram Village, Medchal Mandal, RR Dist - 501 401.	11.00 a.m.	<ol style="list-style-type: none"> 1. To consider and approve the appointment of Mr. K. Udai Sagar, as Managing Director & Key Managerial Person of the Company. 2. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future
2014-15	29th June, 2015	Registered Office of the Company Survey No. 351 Raj Bollaram Village Medchal Mandal RR Dist AP – 501401	11.00 a.m	<ol style="list-style-type: none"> 1. To consider and approve the appointment of Mr. Sudhir Sundar Rao, as Managing Director & Key Managerial Person of the Company. 2. To approve and adopt the new set of Articles of the Company. 3. To approve the Borrowing Limits along with guarantee or counter-guarantee. 4. To mortgage and/or charge any of its movable and / or immovable properties wherever situated both present and future.

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

VI. MEANS OF COMMUNICATION:

- i) The quarterly and half yearly results of the Company are generally published in Business Standard (English) and Andhra Bhoomi (Telugu) or Financial Express (English) and Andhra Prabha (Telugu) and the same will be updated on the Company's website www.bartronics.com.
- ii) Furnishing the Quarterly Financial Results to Stock Exchanges in which Company's shares are listed.
- iii) Sending Balance Sheet, Profit & Loss Account, Directors' Report & Auditors' Report to Shareholders in the prescribed manner and e-mail.
- iv) **Company's Corporate Website :**

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

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

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

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

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

- vii) **Annual Report:**

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

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

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

ix) Chairman's Communique:

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

VII. GENERAL SHAREHOLDER INFORMATION:

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

VIII. DISCLOSURES:

Disclosure of Materially Significant Related Party Transactions:

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

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

Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. During the year 2017-18, no transactions of material nature were entered into by the Company with the Management or their relatives that may have a potential conflict of interest with the Company and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations.

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

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

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

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

IX. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS:

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

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

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Business Conduct for the financial year ended March 31, 2018.

Place: Hyderabad
Date : 29th August, 2018

K. Udai Sagar
Managing Director
DIN: 03298532

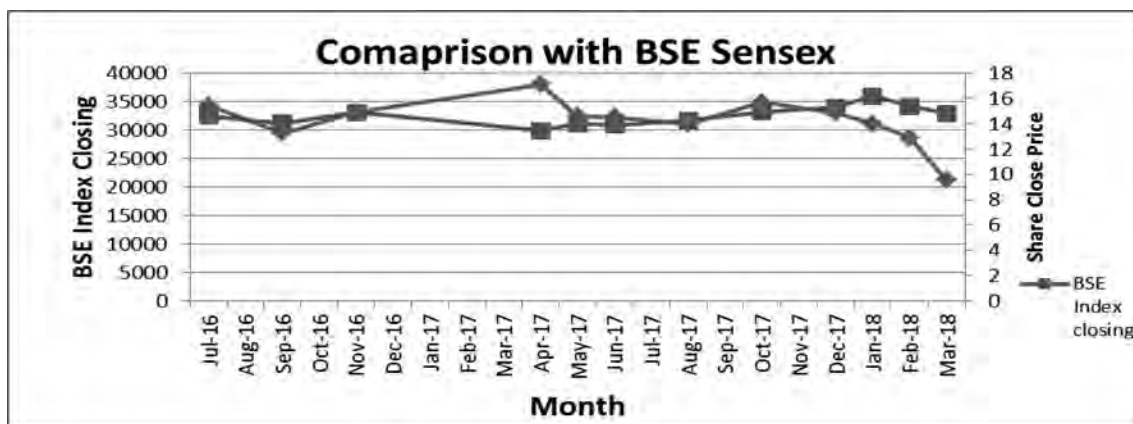
Annexure I**GENERAL SHAREHOLDER INFORMATION:**

1.	AGM Date	28th September, 2018
2.	Time	11:00 a.m.
3.	Venue	Survey No. 351, Raj Bollaram Village, Medchal Mandal, R R Dist, Telangana – 501 401
4.	Financial Year	2017-18
5.	Book Closure Date	Thursday 27th September, 2018 to Friday 28th September, 2018 (two days only)
6.	Dividend Payment Date	Not Applicable
7.	Listing (Equity) on Stock Exchanges	i. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 ii. National Stock Exchange of India Ltd Exchange (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai - 400 051.
8.	Listing of FCCBs	The FCCBs of the Company are listed on the Singapore Stock Exchange.
9.	Payment of Listing Fees	The Company has paid annual listing fees to each of the above Stock Exchanges for the Financial Year 2017-18.
10.	Stock Code	BSE Script Code : 532694
		NSE Script Symbol : BARTRONICS
		Demat ISIN : INE855F01034
		CIN : L29309AP1990PLC011721
11.	Company's Website	www.bartronics.com
12.	E-Voting Facility	www.evotingindia.com (opens at 9:00 a.m. on 25th September, 2018 and closes at 5:00 p.m. on 27th September, 2018 and the cut-off date is 20th September, 2018)
13.	Share Transfer System	Your Company has appointed M/s. Bigshare Services Private Limited for dealing in with the shares of the Company in physical and electronic mode. Presently they are completing the process of transfer within a period of prescribed, subject to the documents being valid and complete in all respects.

Market Price Data:

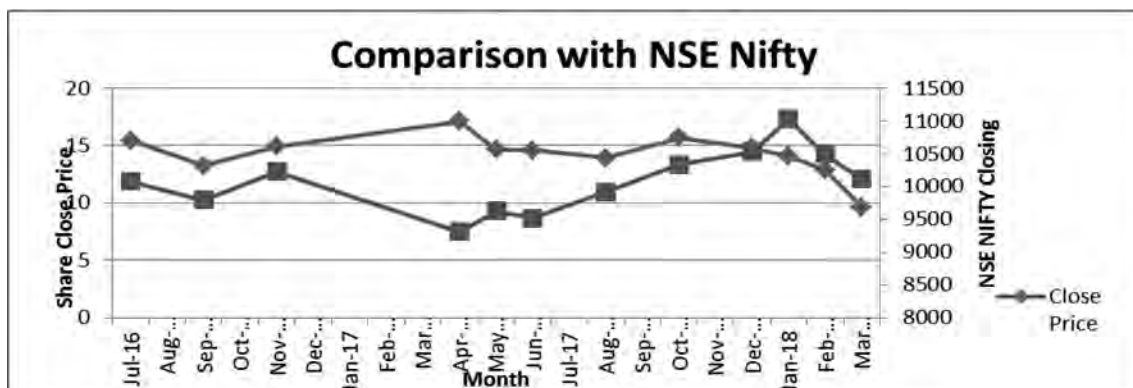
BSE: The monthly high and low stock prices during the financial year 2017-18 and performance is comparison to the Broad-based indices such as BSE-Sensex is provided hereunder:

Month	High Price	Low Price	Close Price	No. of Shares Traded	BSE Index closing
Apr-17	18.5	14	17.11	1473171	29918.4
May-17	18.7	14.05	14.65	883302	31145.8
Jun-17	15.9	13.87	14.54	568106	30921.61
Jul-17	17.89	14.2	15.46	1123697	32514.94
Aug-17	16	13.5	14	329572	31730.49
Sep-17	16	12.7	13.25	667708	31283.72
Oct-17	16.7	12.55	15.71	2272183	33213.13
Nov-17	19.25	14.9	14.9	2873662	33149.35
Dec-17	15.75	14.25	14.87	463122	34056.83
Jan-18	17.5	13.86	14.04	848361	35965.02
Feb-18	14.45	12.5	12.88	386405	34184.04
Mar-18	13.78	9.45	9.55	397898	32968.68



NSE: The monthly high and low stock prices during the financial year 2017-18 and performance is comparison to the Broad-based indices such as NSE-Nifty is provided hereunder:

Month	High Price	Low Price	Close Price	No. of Shares Traded	NSE - Nifty Closing
Apr-17	18.1	16.4	17.1	315867	9304.05
May-17	15.35	14.55	14.65	41246	9621.25
Jun-17	15	14.4	14.6	142406	9520.9
Jul-17	15.95	15.3	15.45	48612	10077.1
Aug-17	14.2	13.8	13.9	29234	9917.9
Sep-17	13.45	13.1	13.25	26910	9788.6
Oct-17	16.6	13.9	15.7	1897219	10335.3
Nov-17	15.25	14.9	14.9	49035	10226.55
Dec-17	15.1	14.6	14.8	108462	10530.7
Jan-18	14.2	14	14.05	50980	11027.7
Feb-18	13.55	12.7	12.85	37635	10492.85
Mar-18	9.85	9.4	9.6	39068	10113.7



Share Transfer System:

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

Distribution of Shareholding:

As on 31st March, 2018, the Distribution Shareholding was as follows:

Range (Rs)	No. of Shareholders	% of Total	Share Amount	% of Total
1-5000	35312	80.06	52229470	15.33
5001- 10000	4287	9.72	35970390	10.56
10001- 20000	2219	5.03	34615510	10.16
20001- 30000	773	1.75	20136550	5.91
30001- 40000	365	0.82	13280940	3.90
40001- 50000	366	0.82	17521560	5.14
50001- 100000	475	1.07	35487370	10.42
100001& Above	307	0.69	131246820	38.54
Total	44,104		340488610	100.00

Dematerialization of Shares:

99.99% of the Company's Paid-up capital has been dematerialized up to 31.03.2018 as per the following details.

Particulars	Number of Shares	% of share capital
NSDL	22026309	64.69
CDSL	12022360	35.31
Physical	192	0
Total	3,40,48,861	100

100% of the promoters shareholding is in DEMAT

Shareholding pattern as on 31st March, 2018:

Category	No. of Shareholders	No. of shares	Percentage %
Promoter and Promoter Group	3	3591187	10.55
Financial Institutions/Banks	2	702650	2.06
Body Corporate	407	2885092	8.47
Individuals	42,536	26737846	78.53
Others	249		0.39
Shares held by Custodian and against which Depository Receipts have been issued	Nil	Nil	
Total	43197	34048861	100

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

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

Plant Location:

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

Address for Correspondence:

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

Corporate Office:

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

Registrars and Share Transfer Agents:

Bigshare Services Private Limited, 306, Right Wing,
3rd Floor, Amruta Ville, Opp: Yashoda Hospital, Raj Bhavan
Road, Somajiguda, Hyderabad – 500 082.
Ph : 040-23374967. Email: bsshyd@bigshareonline.com

COO & MD CERTIFICATION

We, K. Udai Sagar, Managing Director and P.V. Ramana, COO, to the best of our knowledge and belief, do hereby certify that

1. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

As required under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have certified to the Board that for the financial year ended 31st March, 2018, the Company has complied with the requirements mentioned in the said regulation.

Place: Hyderabad
Date: 29th August, 2018

K. Udai Sagar
Managing Director

P.V. Ramana
Chief Operating Officer

Certificate on Corporate Governance

To

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

Survey No. 351, Raj Bollaram Village, Medchal Mandal, Telangana – 501 401.

I have examined the compliance conditions of Corporate Governance by M/s. Bartronics India Limited, Hyderabad for the financial year ended 31st March, 2018, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and erstwhile Clause 49 of the Listing Agreement entered between the Company & Stock Exchanges.

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

In my opinion and to the best of my knowledge and according to the explanations given to me, I certify that the Company has complied with the conditions of applicable Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement.

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

For RPR & Associates
Company Secretaries

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

Place: Hyderabad
Date: 29th August, 2018

INDEPENDENT AUDITORS' REPORT

To

The Members of **BARTRONICS INDIA LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Bartronics India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity for the Year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Emphasis of Matters

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

- a) Reference is invited to Note 2.6 (a) forming part of the Financial Statement regarding Capital advances to the extent of Rs. 9,061.49 Lakhs "We are unable to ascertain whether such balances are fully recoverable" which is outstanding for a long time. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount.
- b) Note 2.8 forming part of the Statement regarding Trade Receivables aggregating to Rs.68,010.22 Lakhs are more than three years old and in respect of which the company provided only Rs.7,033.13 lakhs. We are unable to form an opinion on the extent to which the debts may be recoverable.
- c) Note 2.29 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs. 32,410.00 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.
- d) Without qualifying our opinion, we invite attention to Note no 2.44 forming part of the financial statements regarding the uncertainties relating to MCD Project – "ApkeDwar Project", the matter is in arbitration.
- e) The LIC of India, Andhra Bank, Bank of India, Indian Bank, Barclays Bank, IDBI Bank filed cases in DRT. A criminal case was also filed by a creditor at Delhi. There are certain cases against the Company pending at the Labour Court of India. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these matters are settled against the

- Company.
- f) The Company adjusted Unsecured loan from Bartronics Asia Pte Ltd and trade Payable amount with Trade Receivables of Rs.25,749.56 Lakhs equivalent \$ 397.25 Lakhs during the year with the consent of both the parties – Refer Note No 2.45 for details
- g) The Company has provided interest on the Secured Bank Loans at the rates prevailing as on 2013 when the Company defaulted in repayments to Banks as the Banks are not providing any statement of accounts to the Company- Refer Note No 2.24 for details.

Our opinion is not modified on respect of these matters

Basis for Qualified Opinion

Reference is invited to Note 2.17 of the financial statements, the company has not provided interest on unsecured loans as terms are not clearly available with the Company This constitutes a departure from the Accounting Standards notified under the Companies Act, 2013. The loss stated by the Company would be higher by the amount of interest had the same been debited to the statement of profit and loss.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements.
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Financial Statements has disclosed the impact of pending litigations on the financial Position of the company in its Standalone Ind AS Financials as of March 31, 2018 – Also refer Note 2.27 to the Financial Statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For T. Raghavendra & Associates

Chartered Accountants
(FRN - 003329S)

Place: Hyderabad
Date: 30-05-2017

T. Raghavendra, Proprietor
(Membership No. 023806)

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting Bartronics India Limited (‘the Company’) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended and as on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **T. Raghavendra & Associates**

Chartered Accountants
(Firm Regn No: 003329S)

T. Raghavendra

Proprietor
(Membership No. 023806)

Place: Hyderabad

Date: 30-05-2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

- 1 In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a phased programmed of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- 2 The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits within the meaning of Section 73 to 76 of the act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. The Company does not maintain the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been regularly deposited during the period by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees’ State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except given below:

Sl.No.	Particulars	Amount
1.	Central Sales Tax (2011-12)	590,577/-
2.	Dividend Distribution Tax (2010-11)	5,655,516/-
3	Service tax (Reverse Charge)	155,090/-

- (c) According to the information and explanations given to us, the dues outstanding of sales tax, income tax, customs duty, wealth tax, excise duty, and cess on account of any dispute, are as follows

Natures of dues	Disputed Dues	Period to which the amount relates	Forum where the dispute is pending
Income tax-FBT	58,320,485/-	2008-09	Appellate authority – CIT Appeals
Income tax	198,526,020/-	2008-09	Appellate authority – Income Tax Appellate Tribunal
Income tax	23,857,430/-	2009-10	Appellate authority – Income Tax Appellate Tribunal
Income tax	169,815,780/-	2010-11	Appellate authority – DRP Bangalore

Income tax	64,855,030/-	2011-12	Appellate authority –Income Tax Appellate Tribunal
Income tax	238,266,090/-	2013-14	Appellate authority –Income Tax Appellate Tribunal
Income tax	496,500,450/-	2014-15	Appellate authority – CIT Appeals

8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the Management, we are of the opinion that the Company has defaulted in repayment of dues to financial institutions, banks or debenture holders details as follows : Rs.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	3,623.15	5,307.12	24
2.	Bank Of Baroda	Quarterly	2,036.09	2,057.84	15
3.	Bank of India	Quarterly	2,791.08	3,326.49	8
4.	Indian bank	Quarterly	1,199.41	1,370.73	13
5.	LIC	Quarterly	3,000.00	2,790.06	21
	Totals		12,649.73	14,852.24	

The Company has default in repaying Working Capital Loans to banks, details as follows :

Rs.In Lakhs

Sl.No	Bank Name	Sanction Amount	Outstanding Amount as per Books
1.	Andhara Bank	4,500.00	11,772.04
2.	Bank of Baroda	1,100.00	2,089.75
3.	Bank of India	2,000.00	4,125.24
4.	Barclays Bank	2,000.00	4,626.27
5.	IDBI Bank	2,500.00	5,367.72
	Totals	12,100.00	27,981.02

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or termloans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year. Hence the provisions of Section 197 read with Schedule V to the Act is not applicable.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

T. Raghavendra
Proprietor
(Membership No. 023806)

Place: Hyderabad
Date: 30.05.2017

BALANCE SHEET AS AT 31ST MARCH, 2018

Rupees in Lakhs

Particulars	NOTE NO.	For the Current Reporting Date 31 March 2018	For the Previous Reporting Date 31 March 2017
I. Non - Current Assets			
a) Property, Plant and Equipment	2.1	3,515.16	4,049.45
b) Capital Work-in-Progress	2.2	1,355.54	1,355.54
c) Other intangible assets	2.3	938.92	961.02
d) Financial Assets			
(i) Investments	2.4	30,217.99	30,217.99
(ii) Loans	2.5	640.98	606.99
(iii) Other Financial assets	2.6	13,743.02	13,743.02
e) Deferred tax assets (Net)		1,609.89	1,570.77
Other Non-Current Assets		-	-
Total Non-Current Assets		52,021.49	52,504.78
2 Current Assets			
Inventories	2.7	429.58	512.50
Financial Assets			
Investment		-	-
Trade Receivables	2.8	63,034.64	87,942.90
Cash and cash equivalents	2.9	453.07	412.52
Bank balance other than cash and cash equivalents	2.10	167.07	214.96
Loans	2.11	43.89	45.35
Other Financial Assets		-	-
Other Current Assets	2.12	5,103.76	4,904.14
Total Current Assets		69,232.00	94,032.37
Total Assets		121,253.49	146,537.16
EQUITY AND LIABILITIES			
I. Equity			
Equity Share Capital	2.13A	3,404.89	3,404.89
Other Equity	2.13B	1,485.06	5,746.98
Total Equity		4,889.95	9,151.87
2 Liabilities			
Non- Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Provisions	2.14	51.39	115.77
Other non-current liabilities		-	-
Deferred tax Liabilities (Net)		-	-
Total Non- Current Liabilities		51.39	115.77
Current Liabilities			
Financial Liabilities			
Borrowings	2.15	17,405.01	23,797.31
Trade Payable	2.16	6,455.62	26,175.64
Other Financial Liabilities		-	-
Other Current Liabilities	2.17	77,516.82	72,319.57
Provisions	2.18	14,934.69	14,977.01
Total Current Liabilities		116,312.15	137,269.53
Total Liabilities		116,363.54	137,385.30
Total Equity and Liabilities		121,253.49	146,537.16
SIGNIFICANT ACCOUNTING POLICIES	1		

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2018

Rupees in Lakhs

Particulars	Note No	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
I. Revenue			
Revenue from operations (gross)		7,305.31	7,531.31
Less: Excise duty		208.66	272.02
Revenue from operations (net)	2.19	7,096.65	7,259.29
Other income	2.20	197.30	19.17
Total revenue		7,293.95	7,278.46
II. Expenses			
Cost of materials consumed	2.21	818.30	1,734.50
Purchase of stock-in-trade		-	-
Change in inventories of finished goods work in progress and stock-in-trade	2.22	88.36	206.24
Employee benefits expense	2.23	1,040.31	1,073.43
Finance costs	2.24	5,238.89	5,187.35
Depreciation and amortisation expense	2.25	589.82	606.89
Other expenses	2.26	3,863.65	3,234.72
Prior Period Expenses		-	-
Total expenses		11,639.33	12,043.13
III. Profit before extraordinary items and tax (I-II)		(4,345.38)	(4,764.67)
IV. Extraordinary items		-	354.27
V. Profit before tax (III-IV)		(4,345.38)	(5,118.94)
VI. Tax expense:			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Less : Reversal of Deferred tax liabilities		39.12	39.92
		(39.12)	(39.92)
VII. Profit for the year/period (V-VI)		(4,306.26)	(5,079.02)
VIII Other Comprehensive Income			
Items that will not be Reclassified to Profit & Loss			
Gain / (loss) on Foreign Exchange fluctuation		44.35	(727.06)
Income tax on above		-	-
Total Other Comprehensive Income (Net of tax)		44.35	(727.06)
IX Total Comprehensive Income (VII+VIII)		(4,261.91)	(5,806.08)
Earnings per equity share of Rs.10 Each			
Basic Rs.		(12.52)	(17.05)
Diluted Rs.		(12.52)	(17.05)

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

a) Equity Share Capital (Refer Note 2.13 A) (Rupees in Lakhs)

Equity shares of Rs. 10/- each issued, subscribed and fully paid	
At 31st March 2016	3,404.89
At 31st March 2017	3,404.89
At 31st March 2018	3,404.89

b) Other Equity - Reserves and Surplus (Refer Note 2.13 B) (Rupees in Lakhs)

PARTICULARS	CAPITAL RESERVE	SECURITIES PREMIUM ACCOUNT	GENERAL RESERVES	RETAINED EARNINGS	TOTAL
As At 31 St March, 2016	5,439.46	17,703.99	125.00	(11,715.39)	11,553.06
Profit for the Year				(5,079.02)	(5,079.02)
Other Comprehensive Income (Net of Tax)				(727.06)	(727.06)
Total Comprehensive Income for the Year	-	-	-	(5,806.08)	(5,806.08)
As At 31 St March, 2017	5,439.46	17,703.99	125.00	(17,521.47)	5,746.98
Profit for the Year				(4,306.26)	(4,306.26)
Other Comprehensive Income (Net of Tax)				44.35	44.35
Total Comprehensive Income for the Year	-	-	-	(4,261.91)	(4,261.91)
As At 31 St March, 2018	5,439.46	17,703.99	125.00	(21,783.39)	1,485.06

In terms of our report attached

For T.Raghavendra & Associates

Chartered Accountants
(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

For and on behalf of the Board of Directors

K. Udai Sagar

Managing Director
(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director
(DIN : 00137948)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2018

Rupees in Lakhs

Particulars	Note No.	For the year Ended 31 Mar 2018	For the year Ended 31 Mar 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax as per Profit & Loss Account		(4,345.38)	(5,118.94)
Adjustments for			
Depreciation & Amortisation		589.82	606.89
Reversal of Income tax		-	-
Financial Expenses		5,238.89	5,187.35
Interest income		(15.28)	(1.32)
Operating Profit Before Working Capital Changes		1,468.04	673.98
Adjustments for			
Decrease/(Increase) in Inventories		82.92	283.67
Increase in Trade Receivables		24,908.26	(836.04)
Decrease/(Increase) in Long & Short Term Loans & Advances		(232.14)	(324.57)
Increase/(Decrease) in Current & Non Current Liabilities		(19,810.46)	562.01
Increase/(Decrease) in Long & Short Term Provisions		(64.38)	(4.32)
		6,352.25	354.73
Other Income		-	-
Exceptional Items		-	-
Cash Generated from Operations		6,352.25	354.73
Taxes Paid		-	-
Cash from Operating Activities (A)		6,352.25	354.73
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(33.36)	(99.20)
Sale of Fixed Assets		-	-
Decrease/(Increase) in Capital Work In progress		(0.00)	-
Increase/(Decrease) in Other Reserves		44.35	-
Advance to Subsidiaries		-	206.47
Advance from Subsidiaries		-	-
Interest Received		15.28	1.32
		26.27	108.59
Cash from Investment Activities (B)		26.27	108.59
CASH FLOW FROM FINANCING ACTIVITIES			
Share Premium Received		-	-
Increase/ (Decrease) in Loan Funds		(1,104.60)	4,915.57
Dividend & Taxes paid		(42.32)	(60.49)
Interest & Financial Charges		(5,238.89)	(5,187.35)
Net Cash from financing activities (C)		(6,385.84)	(332.27)
Net Increase in cash and cash equivalent (A+B+C)		(7.33)	131.05
Opening Cash and Cash Equivalents		627.48	496.43
Cash and Cash Equivalent as on 31.03.2018		620.15	627.48
SIGNIFICANT ACCOUNTING POLICIES			
	1		

Notes:

- The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements
- Cash and Cash Equivalents include Rs 452.62 lakhs (31.03.2017: Rs. 411.67 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.
- Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.
- Figures in bracket represents cash outflow.

The Accompanying notes from an integral part of the standalone financial statements

In terms of our report attached

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

For and on behalf of the Board of Directors

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention on accrual basis and in accordance with accounting principles generally accepted in India and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

b. Use of Estimates:

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

c. Fixed Assets:

A. Tangible Assets:

Fixed Assets are stated at cost (net of duties and taxes) less depreciation. Cost includes installation and expenditure during construction, import duties, freight, insurance and incidental expenses directly attributable to the Fixed Assets. Fixed Assets costing less

than Rs.5,000 are fully depreciated in the year of purchase. Assessment for indication of any impairment of Fixed Asset is made at the year-end and impairment loss, if any, is recognized immediately. Depreciation is provided on Straight Line Method as per the rates and in the manner provided in the Schedule II of the Companies Act, 2013.

B. Intangible Assets:

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

Intellectual Property Rights	15.83% (6 Years)
Software	15.83% (6 Years)

d. Borrowing Costs:

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

e. Impairment of Assets:

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

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

(net of depreciation) had no impairment loss been recognized for the asset in the prior years.

f. Investments:

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

g. Inventories:

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

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

h. Income Taxes:

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

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

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

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

the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

i. Employee Benefits:

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

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

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

j. Revenue Recognition:

A. Export Sales:

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

B. Manufactured Sales:

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

C. Trading Sales:

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

D. Service Income:

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

k. Foreign Currency Translation and Foreign Currency Transactions:**A. Wholly Owned Foreign Subsidiaries:**

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

B. Foreign Branch:

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

c. Other Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies at year end are restated at the exchange rate on the date of the Balance Sheet date. Non-monetary items denominated in foreign currencies are carried at cost. Exchange differences on settlement or restatement are adjusted in the Profit and Loss account.

l. Leases:

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

m. Earnings Per Share:

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

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

n. Provisions and Contingent Liabilities:

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

o. Redemption Premium:

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

Note 2.1 : Reconciliation of Gross and Net Carrying Amount of Each Class of Assets

(Rupees in Lakhs)

	Freehold Land	Leasehold Improvements	Electrical Installation	Buildings @	Plant and Equipments	Furniture and Fixtures	Vehicles	Computers	Office Equipments	Total
Year ended 31st March, 2017										
Gross Carrying Amount										
Opening Balance	41.92	48.71	432.77	305.98	7,285.17	196.12	304.42	10,644.67	224.31	19,484.07
Additions	-	-	-	-	75.99	-	18.70	2.39	1.73	98.81
Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	41.92	48.71	432.77	305.98	7,361.16	196.12	323.12	10,647.06	226.04	19,582.88
Accumulated Depreciation										
Opening Balance	-	46.20	278.62	73.10	3,803.19	156.31	227.57	10,288.08	93.38	14,966.45
For the Year	-	0.08	53.18	9.59	417.07	10.32	27.05	17.24	34.37	568.90
On Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	46.28	331.80	82.69	4,220.26	166.63	254.62	10,305.32	127.75	15,535.35
Net Carrying Amount	41.92	2.44	100.97	223.29	3,140.89	29.48	68.50	341.74	98.30	4,049.45
Year ended 31st March, 2018										
Gross Carrying Amount										
Opening Balance	41.92	48.71	432.77	305.98	7,361.16	196.12	323.12	10,647.06	226.04	19,582.88
Additions	-	-	-	-	27.94	0.44	-	1.31	-	29.69
Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	41.92	48.71	432.77	305.98	7,389.10	196.56	323.12	10,648.37	226.04	19,612.57
Accumulated Depreciation										
Opening Balance	-	46.28	331.80	82.69	4,220.26	166.63	254.62	10,305.32	127.75	15,535.35
For the Year	-	-	43.16	9.59	420.25	10.28	25.19	22.22	33.29	563.98
On Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	46.28	374.96	92.28	4,640.51	176.91	279.81	10,327.54	161.04	16,099.33
Net Carrying Amount	41.92	2.44	57.81	213.70	2,748.58	19.64	43.31	320.83	65.01	3,515.16

2.1A The Company has taken borrowings from banks which carry charge over certain property, plant and equipment

2.1B Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 27).

Particulars	(Rupees in Lakhs)			
	Gross Carrying Amount		Net Carrying Amount	
	As at 31 St March 2018	As at 31 St March 2017	As at 31 St March 2018	As at 31 St March 2017
Certain Freehold Land at Bollaram, Hyderabad (One title Deed)	41.92	41.92	41.92	41.92

(Rupees in Lakhs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Note 2.2 : Capital Work-in-progress		
Carrying amount at the beginning of the year	1,355.54	1,355.54
Additions during the year @	-	-
Capitalised during the year	-	-
Carrying amount at the end of the year	1,355.54	1,355.54
Note 2.3 : Intangible Assets		
Year ended 31st March, 2017		
Gross Carrying Amount		
Opening Balance	17982.95	
Additions	0.41	
Closing Balance	17983.36	
Accumulated Amortisation		
Opening Balance	16984.35	
For the Year	37.99	
Closing Balance	17022.34	
Net Carrying Amount	961.02	
Year ended 31st March, 2018		
Gross Carrying Amount		
Opening Balance	17983.36	
Additions	5.4	
Closing Balance	17988.76	
Accumulated Amortisation		
Opening Balance	17024	
For the Year	25.84	
Closing Balance	17049.84	
Net Carrying Amount	938.92	

(Rupees in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Note 2.4: investments		
Unquoted :		
Non - Current Investments		
Bartronics Asia Pte Ltd	8,654.17	8,654.17
Equity 769500 @ SGD 1(30.09.12 - 769500 @ SGD 1)		
Cumulative Redeemable Preference Shares 21097042 @ USD 1		
Bartronics America Inc	21,544.86	21,544.86
Equity 1500 @ USD 1(30.09.12 - 1500 @ USD 1)		
Non convertible non cumulative Preference shares 4994 @ USD 10000		
Bartronics Middle East FZE	18.96	18.96
Equity 1 @ AED 150000(30.09.12 - 1 @ AED 150000)		
	30,217.99	30,217.99
Aggregate Amount of Unquoted investments	30,217.99	30,217.99
Investment in Subsidiary Companies is carried at cost	30,217.99	30,217.99

(Rupees in Lakhs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Note 2.5: Loans		
Non - Current		
(Unsecured and considered good)		
Loans and advance to related parties	640.98	606.99
	<u>640.98</u>	<u>606.99</u>
Note 2.6: Other Financial assets		
Non - Current		
(Unsecured and considered good)		
a) Capital Advances	9,061.49	9,061.49
b) Security deposits	2,904.02	2,904.02
c) MAT credit entitlement	1,777.52	1,777.52
	<u>13,743.02</u>	<u>13,743.02</u>
Note 2.7: Inventories (At lower of cost and net realisable value)		
Raw Materials	341.06	335.62
Finished Goods	28.91	21.21
Stock in Progress	59.60	155.66
	<u>429.58</u>	<u>512.50</u>
Note 2.8: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	62,255.24	87,336.78
Considered Doubtful	7,033.13	7,033.78
	<u>69,288.38</u>	<u>94,370.56</u>
Less: Provision for doubtful trade receivables	(7,033.13)	(7,033.78)
(A)	<u>62,255.24</u>	<u>87,336.78</u>
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	779.39	606.12
Considered Doubtful	-	-
	<u>779.39</u>	<u>606.12</u>
Less: Provision for doubtful trade receivables		
(B)	<u>779.39</u>	<u>606.12</u>
(A+B)	<u>63,034.64</u>	<u>87,942.90</u>
Note (i) During the year, the Company adjusted some of its Trade Payables and Un-Secured Loan outstanding with some Trade Receivables totaling Rs.25752.56 Lakhs with the consent of all concerned parties, Refer Note No.2.45 for details		
Note 2.9: Cash and cash equivalents		
Cash and cash equivalents		
Cash on Hand	0.45	0.85
In Ear marked Accounts	452.62	411.67
	<u>453.07</u>	<u>412.52</u>
Note 2.10 : Bank balance other than cash and cash equivalents		
Balances with Banks:		
In current accounts	153.26	201.15
In EEFC account	0.97	0.97
In Deposit accounts	-	-
Other bank balances	-	-
Margin Money deposits	-	-
‘ In Dividend Account	12.84	12.84
	<u>167.07</u>	<u>214.96</u>

(Rupees in Lakhs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Note 2.11: Loans		
Current		
(Unsecured and considered good)		
Loans and advance to Employees	43.89	45.35
	<u>43.89</u>	<u>45.35</u>
Note 2.12: Other Current Assets		
Security deposits	273.80	217.36
Prepaid expenses	9.49	10.64
CENVAT & vat credit receivable	-	18.14
Service tax credit receivable	-	22.50
TDS receivable	577.60	427.14
Advances for supply of goods and rendering of services	1,001.62	931.90
Less: Provision for Doubtful Advances	(14.08)	(14.08)
Interest accrued but not due on deposits	43.53	57.30
Advance tax	3,211.80	3,233.24
	<u>5,103.76</u>	<u>4,904.14</u>
Note 2.13 A : Share capital		
Authorised		
i) 110,000,000 (31.03.2017:110,000,000) Equity Shares of Rs.10 each	11,000.00	11,000.00
Issued, subscribed and fully paid up		
i) 34,048,861 (31.03.2017 : 34048861) Equity Shares of Rs.10 each	3,404.89	3,404.89
Total	<u>3,404.89</u>	<u>3,404.89</u>

Notes:

- i) Reconciliation of number of shares and amount outstanding at March 31,2018 and March 31,2017 is as follows:

Particulars	Year Ended 31 March 2018		Year Ended 31 March 2017	
	No.of Shares	Rupees in Lakhs	No.of Shares	Rupees in Lakhs
a) Equity				
Shares outstanding at the beginning of the Year/Period	3,40,48,861	3,404.89	340,48,861	3,404.89
Shares issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	340,48,861	3,404.89	340,48,861	3,404.89
ii) Details of shares held by each share holder holding more than 5% shares				
Name of the share holder	Year Ended 31 March 2018		Year Ended 31 March 2017	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	22,00,000	6.46	2,200,000	6.46
	<u>22,00,000</u>		<u>2,200,000</u>	

(Rupees in Lakhs)

PARTICULARS		As at 31Mar 2018	As at 31 Mar 2017
Note 2.13 B:- Reserves and surplus			
i)	Capital reserve		
	Opening balance	5,439.46	5,439.46
	Add: Additions during the year/period (note)	-	-
	Closing balance	5,439.46	5,439.46
ii)	Securities premium account		
	Opening balance	17,703.99	17,703.99
	Add: Premium on conversion of FCCB's	-	-
	Less: Premium on Redemption of FCCB's	-	-
		17,703.99	17,703.99
iv)	General reserve	125.00	125.00
v)	Surplus in statement of profit and loss		
	Opening balance	(17,521.47)	(11,715.39)
	Add: Profit for the year/period	(4,306.26)	(5,079.02)
	Less: Appropriations	-	-
	Proposed dividend	-	-
	Dividend distribution tax	-	-
	OCI	44.35	(727.06)
	Less : Adjustment (Retain Earnings - Fixed Assets)	-	-
	Closing Balance	(21,783.39)	(17,521.47)
	Total	1,485.06	5,746.98
Note 2.14: Long-term provisions			
	Provision for Employee benefits (Refer note 2.28)	51.39	115.77
		51.39	115.77
Note 2.15: Short-term borrowings			
	From Banks - Note (i) and (ii)	17,225.51	17,224.17
	Unsecured Loans from Subsidiaries - Note (iii)	179.50	6,573.14
		17,405.01	23,797.31
i)	Loans repayable on demand includes an amount of Rs. 17225.51 lakhs (31.03.2017 : Rs. 17224.17 lakhs) represents working capital loans from Bank of Baroda, Bank of India, Andhra Bank, Barclays Bank and IDBI Bank are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr.A.B.S.Reddy.		
ii)	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.		
iii)	During the year, The Company adjusted Unsecured loan from Bartronics Asia Pte Ltd amount with one of its Debtors totaling Rs. 6406.62 Lakhs with mutual consent of both the parties		
Note 2.16 : Trade payables			
(Refer Note no. 46 for details of dues from Micro and small enterprises)			
	Acceptances	-	-
	Other than acceptances - Note (i)	6,455.62	26,175.64
		6,455.62	26,175.64
Note : (i) During the year, The Company adjusted some of its Trade Payables with Trade Receivables totaling Rs.19345.94 Lakhs with the consent of all concerned parties. Refer Note No.2.45 for details			

(Rupees in Lakhs)

PARTICULARS	As at 31Mar 2018	As at 31 Mar 2017
Note 2.17: Other current liabilities		
Current maturities of long-term debt -Notes	57,300.60	55,108.90
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	14,852.23	11,756.22
Inter corporate Deposits	4,561.42	4,561.42
Other liabilities	663.89	533.15
Unclaimed dividends	-	12.83
Statutory remittances	45.72	44.16
Payables for Capital works	47.02	160.38
Advances from customers	45.95	142.51
	<u>77,516.82</u>	<u>72,319.57</u>

Notes:

- (i) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets both present and future of the company. Further, these loans are secured by personal guarantees and properties of the A.B.S.Reddy
- (ii) Terms of repayment are given below:
- Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.
 - Loan taken from Bank of India carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.
 - Loan taken from Andhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.
 - Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014
 - Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan'2016
- (iii) The Company has not provided for Interest on Unsecured Loans.

Note 2.18: Short-term provisions

Provision for income tax	3,430.68	3,473.00
Provision for FBT	654.11	654.11
Dividend Distribution Tax	56.56	56.56
Provision for Premium Payable on Redemption of FCCB	10,793.34	10,793.34
	<u>14,934.69</u>	<u>14,977.01</u>

Note 2.19: Revenue from operations

A) Exports- Software		
Value Added	Domestic	-
Self Developed	Exports	143.91
B) Manufacturing		2,556.99
C) Trading		
Software		-
Hardware		-
D) Services		4,558.39
E) Other Operating Revenue		
Sale of scrap		-
Total		<u>7,096.65</u>

(Rupees in Lakhs)

Particulars of sale of products	Year ended 31.03.2018		Year ended 31.03.2017	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
A Manufactured goods				
Cards & RFID	9,078,789	1,055.35	20,794,947	2,556.99
Total	9,078,789	1,055.35	20,794,947	2,556.99

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
------------	---------------------------	---------------------------

Note 2.20: Other Income

a) Interest on deposit with banks and others	15.28	1.32
b) Exchange gain(net)	-	-
c) Creditors no longer payable	124.69	17.85
d) Miscellaneous income	57.33	-
	197.30	19.17

Note 2.21: Cost of materials consumed

Opening Stock	335.62	413.05
Add : Purchases	823.74	2,011.34
	1,159.36	2,424.39
Less : Closing stock	341.06	335.62
Less : Loss of Stock	-	354.27
	818.30	1,734.50

Details of raw materials consumed	Year ended 31.03.2018		Year ended 31.03.2017	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	8,174,874	818.30	19,371,177	1,734.50
Software	-	-	-	-
Total	8,174,874	818.30	19,371,177	1,734.50

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
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Note 2.22: Changes in inventories of finished goods, work in progress and stock-in-trade

Inventories at the beginning of the year:

Finished goods	21.21	354.27
Work in progress	155.66	28.85
Stock in trade	-	-
	176.88	383.11

Inventories at the end of the year:

Finished goods	28.91	21.21
Work in progress	59.60	155.66
Stock in trade	-	-
	88.51	176.88
Net (increase) / decrease	88.36	206.24

Note 2.23: Employee benefit expense

Salaries, wages and bonus	988.34	1,004.37
Contribution to provident and other funds	45.24	58.20
Staff welfare expenses	6.73	10.87
	1,040.31	1,073.43

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

(Rupees in Lakhs)

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
Note 2.24: Finance costs		
Interest expense on Borrowings	5,238.89	5,187.35
	<u>5,238.89</u>	<u>5,187.35</u>
Note 2.25 : Depreciation and amortisation expense		
Depreciation of Tangible Assets (Refer Note 2.1)	563.98	568.90
Amortisation of Intangible Assets (Refer Note 2.3)	25.84	37.99
	<u>589.82</u>	<u>606.89</u>
Note 2.26: Other expenses		
Advertisement	0.84	0.85
Annual Maintenance Expenses	14.07	18.47
Bank charges	0.86	2.06
Business promotion	7.72	4.67
Communication	42.93	50.66
Directors' Sitting fees	0.80	1.05
Factory maintenance	1.28	-
Insurance	11.72	5.65
Job work charges	5.60	11.50
Manpower Charges(Factory)	16.05	16.76
Legal and professional	151.82	23.39
Miscellaneous expenses	21.30	9.02
Other manufacturing expenses	1.66	3.96
Power and fuel	44.86	67.61
Payments to auditors (Refer Note (i) below)	10.00	10.00
Printing and stationery	29.56	31.42
Bad Debts / Sundries Write off	-	9.31
Rates and taxes	17.54	6.83
Sales tax paid	2.51	9.90
Rent	55.49	49.45
Clearing and Forwarding Charges	12.15	14.41
Server Maintenance Charges	5.45	8.54
Postage & Courier	7.52	15.27
Vehicle Maintenance	6.40	3.92
Repairs and Maintenance	3.02	5.95
Enrolment Expenses	3,288.53	2,704.44
Discount Given	9.75	37.15
Office Maintenance	19.53	26.11
Security Charges	2.52	2.53
Listing Fees	10.02	9.88
Vehicle Hire Charges	-	-
Other Expenses	6.17	4.06
Travelling and conveyance	55.99	69.90
Provisions for Advances / Claims /debts	-	-
	<u>3,863.65</u>	<u>3,234.72</u>
Note (i): Payments to the auditors (Exclusive of Service Tax / GST)		
As auditors -statutory audit	8.00	8.00
As auditors -Internal Audit	2.00	2.00
Other Services	-	-
Total	<u>10.00</u>	<u>10.00</u>

Notes to Account:**2.27 Contingent Liabilities:****A. Claims Against The Company Not Acknowledged As Debts:**

Disputed Taxes	As At 31.03.2018	As At 31.03.2017
Income Tax	11165.45	11766.30
Sales Tax	-	608.96

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

B. Letters of Credit and Guarantees issued:

Rs In Lakhs

Particulars	As At 31.03.2018	As At 31.03.2017
Letters of Credit	-	-
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	Rs.452.62	Rs.461.75
- Corporate Guarantees	-	-

- 2.28** Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,061.49 lakhs (31.03.2017 Rs.9,061.49 lakhs)] Rs1,355.54 lakhs (31.03.2017: Rs. 1,355.54 lakhs)

2.29 Unsecured Loans:**Foreign Currency Convertible Borrowings (FCCB):**

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

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

Rupees in Lakhs

	As At 31.03.2018		As At 31.03.2017	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	32360.00	32360.00	33088.70	33088.70
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	-	-	-	-
Less: Foreign Exchange Gain (net)	50.00	50.00	728.70	728.70
Closing Balance	32410.00	32410.00	32360.00	32360.00

2.30 Derivative Instruments:

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

Rupees in Lakhs

Particulars	As At 31.03.2018		As At 31.03.2017	
	US Dollar (lakhs)	Rupee Equivalent (lakhs)	US Dollar (lakhs)	Rupee Equivalent (lakhs)
Amount Receivable on Account of				
Export of Goods	1031.00	66829.42	1433.23	92758.46
Other Receivables				
Amount Payable on account of				
Import of Goods & Services	9.96	645.75	308.42	19960.85
Capital Imports				
Foreign Currency Convertible Bonds	500.00	32410.00	500.00	32360.00
Redemption Premium on FCCB	163.10	10793.34	163.10	10793.34
Other Payables				

During the year, the Company adjusted some of its “Import of Goods & Services” and “Loans from Subsidiaries” with “Export of Goods” totalling Rs. 25749.56 Lakhs (\$ 397.25 Lakhs) with the consent of all the parties concerned, Refer Note No. 2.45 for details.

2.31 Related Party Disclosures:

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

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

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

2. Key Management Personnel

Mr. K. Udai Sagar – Managing Director

B. Related Party Transactions:

Rupees in Lakhs

Transactions	Subsidiaries		Key Management Personnel and their Relatives	
	2017-18	2016-17	2017-18	2016-17
Sales				
Bartronics Asia Pte Ltd.	10.34	143.91	-	-
Bartronics Middle East FZE	-	-	-	-
Purchases				
Bartronics Asia Pte Ltd.	-	-	-	-
Advances to				
Bartronics Global Solutions	38.28	(46.58)	-	-
Bartronics Asia Pte Ltd.	-	-	-	-

Bartronics Middle East FZE	-	-	-	-
Investment in Equity Shares				
Bartronics Middle East FZE.	-	-	-	-
Bartronics Asia Pte Ltd	-	-	-	-
Investment in Preference Shares				
Bartronics Asia Pte Ltd	-	-	-	-
Bartronics America Inc.	-	-	-	-
Outstanding Balances				
Advances				
Bartronics Asia Pte Ltd.	(179.50)	(6573.14)	-	-
Bartronics Middle East FZE	-	-	-	-
Bartronics Global Solutions	3.03	(31.58)	-	-
Receivables				
Bartronics Asia Pte Ltd.	208.83	203.40	-	-
Bartronics Middle East FZE	3567.08	3883.88	-	-

2.32 Disclosure as per Clause 32 of the Listing Agreement

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

Rupees in Lakhs

Name of the Company	Relationship	Amount Outstanding As On 31.03.18	Maximum Balance Outstanding During the Year
Bartronics Asia Pte Ltd	Subsidiary	(179.50) (6573.14)	(6878.20) (6878.20)
Bartronics Middle East FZE	Subsidiary	0.54 0.54	0.54 0.54
Bartronics Global Solutions Ltd	Fellow Subsidiary	3.03 (31.58)	(32.93) (32.93)
Total		(175.93) (6604.18)	6910.59 (6910.59)

Figures in italics represent previous year's figures.

2.33 Managerial Remuneration

Rupees in Lakhs

Particulars	2017-18	2016-17
Salaries & Allowances	-	-
Contribution to Provident Fund	-	-
Directors' Sitting Fees	0.80	1.05
Total	0.80	1.05

- The above figures exclude provision for gratuity and compensated absences actuarially valued as separate figures are not available.
- As per the term of appointment, no commission is payable to Managing Director or Whole time Directors, accordingly computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956 is not given.

2.34 Auditor's Remuneration

Rupees in Lakhs

Particulars	2017-18	2016-17
Audit Fees	8.00	8.00
Internal Audit Fees	2.00	2.00
Other Services	-	-
Total	10.00	10.00

2.35 Segment Reporting

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

Particulars	Segment Revenue				Segment Assets			
	Sales				Debtors			
	2017-2018		2016-2017		2017-2018		2016-2017	
Hong Kong	--	--	--	--	26522.05	37.85	34807.13	36.65
UAE	--	--	--	--	23809.11	33.98	34086.29	35.88
USA	--	--	--	--	--	--	--	--
Others	228.34	3.22	76.74	1.06	16498.26	23.55	23865.03	25.13
Outside India	228.34	3.22	76.74	1.06	66829.42	95.38	92758.46	97.66
Within India	6868.31	96.78	7182.55	98.94	3238.35	4.62	2218.22	2.34
Total	7096.65	100.00	7259.29	100.00	70067.77	100.00	94976.68	100.00

2.36. Composition of Deferred Tax Asset :

Rupees in Lakhs

Particulars	As At 31.03.2017	Movement During the Year	As At 31.03.2018
Deferred Tax Liability:			
Relating to Fixed Assets	(748.90)	60.00	(688.90)
Total	(748.90)	60.00	(688.90)
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	2282.11	-	2282.11
Disallowances under Section 43B	37.56	(20.89)	16.67
Unabsorbed Depreciation	--	--	--
Total	2319.67	(20.89)	2298.89
Net Deferred Tax Liability	1570.77	39.11	1609.89

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

2.37 Earnings Per Share:

Particulars	2017-18	2016-17
Profit after Taxation (Rs. in Lakhs)	(4261.91)	(5806.08)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	(4261.91)	(5806.08)
Weighted average number of equity shares used in computing Basic Earnings Per Share	3,40,48,861	3,40,48,861
Earnings per share – Face Value: Rs.10/- each		
- Basic	(12.52)	(17.05)
- Diluted	(12.52)	(17.05)

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

Particulars	2017-18		2016-17	
	Rs. in Lakhs	%	Rs. in Lakhs	%
Raw Materials				
- Imported	261.65	31.76%	607.75	35.04%
- Indigenous	562.09	68.24%	1126.75	64.96%
Total	823.74	100.00%	1734.50	100.00%

2.39 Earnings in Foreign Exchange (on accrual basis)

Rupees in Lakhs

Particulars	2017-18	2016-17
FOB Value of Exports	225.83	76.74
Others	--	--

2.40. Expenditure in Foreign Currency (on accrual basis)

Rupees in Lakhs

Foreign Travel	--	21.51
Consultancy Charges	--	--
Others	--	9.76

2.41. Disclosures as required under Accounting Standard AS-15

The company liability on account of Employee benefits comprising Gratuity- a defined benefit scheme and compensated absences has been determined in accordance with the requirements of Indian Accounting Standard (Ind AS)-19. Disclosures required in terms of the requirement of Ind AS-19.

Expenses recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	34.34	25.81	60.15
	18.03	19.06	37.09
Interest Cost	7.56	4.11	11.67
	5.98	2.85	8.83
Actuarial (Gains)/Losses	12.12	6.71	18.83
	6.32	8.20	14.52
Total expense included in the Statement of Profit & Loss	54.01	36.63	90.64
	30.33	30.11	60.44
Net Liability recognised in Balance Sheet			
Present Value of Defined Benefit Obligation	134.34	80.98	215.32
	101.41	55.17	156.58
Fair Value on Plan Assets	--	--	--
	--	--	--
Net Liability recognised in Balance Sheet	134.34	80.98	215.32
	101.41	55.17	156.58
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	101.41	55.17	156.58
	76.63	36.11	112.74
Current Service Cost	34.34	25.81	60.15
	18.03	19.06	37.09
Interest Cost	7.56	4.11	11.67
	5.98	2.85	8.83
Actuarial (Gains)/Losses	12.12	6.71	18.83
	6.33	8.20	14.53
Benefits Paid	(21.08)	(10.82)	(31.90)
	(5.55)	(11.05)	(16.60)
Present Value of DBO at the End of Period/Year	134.34	80.98	215.32
	101.41	55.17	156.58
Assumptions			
Interest / Discount Rate	7.75%		
	7.45%		
Rate of escalation in salary	7.00%		
	7.00%		
Attrition Rate	4.00%		
	4.00%		

Note: Figures in italics relate to previous year

i. Discount Rate

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

ii. Salary Escalation Rate

The estimates of future salary increase considered takes into account the inflation, seniority and other relevant factors					
Net Asset/(Liability) recognised in Balance Sheet					
Particulars	2017-18	2016-17	2015-16	2013-15	2012-13
Gratuity					
Present value of defined benefit obligation	134.34	101.41	76.63	59.53	45.82
Fair value of plan assets	--	--	--	--	--
Status [Surplus / (Deficit)]	134.34	101.41	76.63	59.53	45.82
Compensated Absences					
Present value of defined benefit obligation	80.98	55.17	36.11	31.60	17.75
Fair value of plan assets	--	--	--	--	--
Status [Surplus / (Deficit)]	80.98	55.17	36.11	31.60	17.75

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

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

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

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,355.54 Lakhs (2016-17 : Rs. 1,355.54 lakhs). Further amounts aggregating to Rs. 9061.49 Lakhs (2016-17:Rs.9061.49 lakhs) has been advanced for work to be carried out.

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

2.45 The Company adjusted Unsecured loan from Bartronics Asia Pte Ltd and trade Payable amount with Trade Receivables of Rs.25749.56 Lakhs equivalent \$ 397.25 Lakhs during the year with the consent of both the parties, Details as follows :

Rupees in Lakhs

Sl.No.	Particulars	Nature of A/c	Amount in Rs.	Amount in \$
1.	Intra Asia Trading Pte Ltd	Trade Payable	1,110.05	17.13
2.	Apies Ventures Pte Ltd	Trade Payable	4,499.02	69.41
3.	Micropart International	Trade Payable	8308.08	128.17
4.	Bistrolia Asia Inc	Trade Payable	1041.40	16.07
5.	Starline Holding INC	Trade Payable	1386.24	21.39
6.	Magnum Enterprises Ltd	Trade Payable	1623.42	25.05
7.	Intra Asia Trading Pte Ltd	Trade Payable	1377.72	21.25
8.	Bartronics Asia Pte Ltd	Unsecured Loan	6403.63	98.78
Totals			25749.55	397.25

Sl.No.	Particulars	Nature of A/c	Amount in Rs.	Amount in \$
1.	Max Arabian FZE	Trade Receivable	6105.42	94.19
2.	Apies Ventures Pte Ltd	Trade Receivable	1808.94	27.90
3.	Micropart International	Trade Receivable	1394.69	21.52
4.	Bistrolia Asia Inc	Trade Receivable	2092.37	32.28
5.	Starline Holding INC	Trade Receivable	8338.86	128.65
6.	Magnum Enterprises Ltd	Trade Receivable	2107.65	32.52
7.	Empire Gulf FZE	Trade Receivable	3901.62	60.19
Totals			25749.55	397.25

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

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

Consolidated Accounts for the Year Ended 31st March 2018

Consisting of (a) annual audited accounts of your Company for the year ended 31st March 2018, (b) un-audited financial statements of Bartronics Asia Pte Ltd, for the year ended 31st March 2018 and (c) un-audited financial statements of Bartronics Middle East FZE for the year ended 31st March 2018.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of the Directors of
BARTRONICS INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Bartronics India Limited ('hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, The Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the Year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

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

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

‘Other Matter’ paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

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

- a) Reference is invited to Note 2.6 (a) forming part of the Financial Statement regarding Capital advances to the extent of Rs. 9,061.49 Lakhs “We are unable to ascertain whether such balances are fully recoverable” which is outstanding for a long time. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount.
- b) Note 2.8 forming part of the Statement regarding Trade Receivables aggregating to Rs.68,010.22 Lakhs are more than three years old and in respect of which the company provided only Rs.7,033.13 lakhs. We are unable to form an opinion on the extent to which the debts may be recoverable.
- c) Note 2.30 forming part of the financial statements regarding the non-repayment of FCCB amounting to Rs. 32,410.00 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.
- d) Without qualifying our opinion, we invite attention to Note no 2.40 forming part of the financial statements regarding the uncertainties relating to MCD Project – “ApkeDwar Project”, the matter is in arbitration.
- e) The LIC of India, Andhra Bank, Bank of India, Indian Bank, Barclays Bank, IDBI Bank filed cases in DRT. A criminal case was also filed by a creditor at Delhi. There are certain cases against the Company pending at the Labour Court of India. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these matters settle against the Company.
- f) The Company adjusted trade Payable amount with Trade Receivables of Rs.25749.56 Lakhs equivalent \$ 397.25 Lakhs during the year with the consent of both the parties – Refer Note No 2.41 for details
- g) The Company has provided interest on the Secured Bank Loans at the rates prevailing as on 2013 when the Company defaulted in repayments to Banks as the Banks are not providing any statement of accounts to the Company- Refer Note No 2.28 for details

Our opinion is not modified on respect of these matters

Basis for Qualified Opinion

Reference is invited to Note 2.17 of the financial statements, the company has not provided interest on unsecured loans as terms are not clearly available with the Company This constitutes a departure from the Accounting Standards notified under the Companies Act, 2013. Accordingly the losses would have increased further to the extent of the Interest.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2018, and its Consolidated loss including other Comprehensive income, their consolidated cash flows and Consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary companies, whose Ind AS financial statements reflect total assets of 21,244.60 Lakhs as at March 31, 2018, total revenues of 447.89 Lakhs and net cash outflows amounting to 1.94 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These un-audited financial statements/consolidated Ind AS financial statements and other financial information have been certified by the management and furnished to us, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the un-audited financial statement /consolidated Ind AS financial statements certified by the management.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the Consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, and the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements
 - (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements have disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31, 2018 - Also Refer Note 2.27 to the financial statements
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

T. Raghavendra
Proprietor
(Membership No. 023806)

Place: Hyderabad
Date: 30-05-2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting Bartronics India Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

T. Raghavendra
Proprietor

(Membership No. 023806)

Place: Hyderabad
Date: 30-05-2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

Rupees in Lakhs

Particulars	NOTE No.	For the Current Reporting Date 31 March 2018	For the Previous Reporting Date 31 March 2017
I. Non- Current Assets			
a) Property, Plant and Equipment	2.1	3,569.03	4,442.47
b) Capital Work-in-Progress	2.2	1,355.54	1,355.54
c) Other intangible assets	2.3	20,363.25	20,385.35
d) Financial Assets			
(i) Investments	2.4	-	-
(ii) Loans	2.5	-	-
(iii) Other Financial assets	2.6	13,743.02	13,743.02
e) Deferred tax assets (Net)		1,609.89	1,570.77
Other Non-Current Assets		392.75	392.75
Total Non-Current Assets		41,033.48	41,889.90
2 Current Assets			
Inventories	2.7	429.58	512.50
Financial Assets			
Investment		-	-
Trade Receivables	2.8	89,742.17	114,779.21
Cash and cash equivalents	2.9	476.36	437.28
Bank balance other than cash and cash equivalents	2.10	167.07	215.40
Loans	2.11	43.89	45.35
Other Financial Assets		-	-
Other Current Assets	2.12	16,368.20	6,741.16
Total Current Assets		107,227.26	122,730.90
Total Assets		148,260.73	164,620.81
EQUITY AND LIABILITIES			
I. Equity			
Equity Share Capital	2.13A	3,404.89	3,404.89
Other Equity	2.13B	14,574.43	16,316.03
Total Equity		17,979.31	19,720.92
2 Liabilities			
Non- Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Provisions	2.14	51.39	115.77
Other non-current liabilities		-	-
Deferred tax assets (Net)		-	-
Total Non- Current Liabilities		51.39	115.77
Current Liabilities			
Financial Liabilities			
Borrowings	2.15	17,225.51	17,224.17
Trade Payable	2.16	20,315.71	28,865.03
Other Financial Liabilities		-	-
Other Current Liabilities	2.17	77,754.11	83,717.92
Provisions	2.18	14,934.69	14,977.01
Total Current Liabilities		130,230.02	144,784.13
Total Liabilities		130,281.42	144,899.90
Total Equity and Liabilities		148,260.73	164,620.81
SIGNIFICANT ACCOUNTING POLICIES	1		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2018

Rupees in Lakhs

Particulars	Note No	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017
I. Revenue			
Revenue from operations (gross)		7,747.37	8,798.65
Less: Excise duty		208.66	272.02
Revenue from operations (net)	2.19	7,538.71	8,526.63
Other income	2.20	203.13	19.17
Total revenue		7,741.84	8,545.80
II. Expenses			
Cost of materials consumed	2.21	818.30	1,734.50
Purchase of stock-in-trade		-	-
Change in inventories of finished goods work in progress and stock- in-trade	2.22	88.36	206.24
Employee benefits expense	2.23	1,150.20	1,578.68
Finance costs	2.24	5,238.89	5,187.35
Depreciation and amortisation expense	2.25	591.91	637.77
Other expenses	2.26	4,077.67	3,988.42
Prior Period Expenses		-	-
Total expenses		11,965.34	13,332.96
III. Profit before extraordinary items and tax (I-II)		(4,223.50)	(4,787.16)
IV. Extraordinary items		-	354.27
V. Profit before tax (III-IV)		(4,223.50)	(5,141.43)
VI. Tax expense:			
a) Current tax expense for current year		-	-
b) MAT credit relating to earlier years		-	-
c) Less : Reversal of Deferred tax liabilities		39.12	39.92
		(39.12)	(39.92)
VII. Profit for the year/period (V-VI)		(4,184.38)	(5,101.51)
VIII. Other Comprehensive Income			
Items that will not be Reclassified to Profit & Loss			
Gain / (loss) on Foreign Exchange fluctuation		44.35	(727.06)
Income tax on above		-	-
Total Other Comprehensive Income (Net of tax)		44.35	(727.06)
IX. Total Comprehensive Income (VII+VIII)		4,140.03	5,828.57
Earnings per equity share of Rs.10 Each			
Basic Rs.		(12.16)	(17.12)
Diluted Rs.		(12.16)	(17.12)

SIGNIFICANT ACCOUNTING POLICIES

1

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

a) Equity Share Capital (Refer Note 2.13 A) (Rupees in Lakhs)

Equity shares of Rs. 10/- each issued, subscribed and fully paid	
At 31st March 2016	3,404.89
At 31st March 2017	3,404.89
At 31st March 2018	3,404.89

b) Other Equity - Reserves and Surplus (Refer Note 2.13 B) (Rupees in Lakhs)

PARTICULARS	CAPITAL RESERVE	SECURITIES PREMIUM ACCOUNT	GENERAL RESERVES	RETAINED EARNINGS	TOTAL
As At 31 St March, 2016	5,439.46	17,703.99	125.00	(2,817.32)	20,451.13
Profit for the Year				(5,101.51)	(5,101.51)
Other Comprehensive Income (Net of Tax)				(727.06)	(727.06)
Total Comprehensive Income for the Year	-	-	-	(5,828.57)	(5,828.57)
As At 31 St March, 2017	5,439.46	17,703.99	125.00	(8,645.89)	14,622.56
Profit for the Year				(4,184.38)	(4,184.38)
Other Comprehensive Income (Net of Tax)				44.35	44.35
Total Comprehensive Income for the Year	-	-	-	(4,140.03)	(4,140.03)
As At 31 St March, 2018	5,439.46	17,703.99	125.00	(12,785.93)	10,482.53

In terms of our report attached

For T. Raghavendra & Associates

Chartered Accountants
(FRN : 003329S)

T. Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

For and on behalf of the Board of Directors

K. Udai Sagar

Managing Director
(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director
(DIN : 00137948)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2018

Rupees in Lakhs

Particulars	Note No.	For the year Ended 31 Mar 2018	For the year Ended 31 Mar 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax as per Profit & Loss Account		(4,223.50)	(5,141.43)
Adjustments for			
Depreciation & Amortisation		591.91	637.77
Reversal of Income tax		-	-
Financial Expenses		5,238.89	5,187.35
Interest income		(15.28)	(1.32)
Adjustment of Previous Years Profits		2,398.42	1,693.47
Unrealised Foreign Exchange loss		-	151.61
Operating Profit Before Working Capital Changes		3,990.43	2,527.44
Adjustments for			
Decrease/(Increase) in Inventories		82.92	283.67
Increase in Trade Receivables		25,037.04	79.39
Decrease/(Increase) in Long & Short Term Loans & Advances		(9,625.57)	(317.24)
Increase/(Decrease) in Current & Non Current Liabilities		(19,800.83)	(2,212.40)
Increase/(Decrease) in Long & Short Term Provisions		(64.38)	(4.32)
		(380.38)	356.55
Other Income		-	-
Exceptional Items		-	-
Cash Generated from Operations		(380.38)	356.55
Taxes Paid		-	-
Cash from Operating Activities (A)		(380.38)	356.55
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(33.41)	(83.52)
Sale of Fixed Assets		337.06	-
Decrease/(Increase) in Capital Work In progress		(0.00)	-
Increase/(Decrease) in Other Reserves		44.35	-
Advance to Subsidiaries		-	-
Advance from Subsidiaries		-	-
Interest Received		15.28	1.32
Cash from Investment Activities (B)		363.28	(82.20)
CASH FLOW FROM FINANCING ACTIVITIES			
Share Premium Received		-	-
Increase/ (Decrease) in Loan Funds		5,289.04	5,062.75
Dividend & Taxes paid		(42.32)	(60.49)
Interest & Financial Charges		(5,238.89)	(5,187.35)
Net Cash from financing activities (C)		7.84	(185.13)
Net Increase in cash and cash equivalent (A+B+C)		(9.27)	89.22
Opening Cash and Cash Equivalents		652.69	563.47
Cash and Cash Equivalent as on 31.03.2018		643.43	652.69

SIGNIFICANT ACCOUNTING POLICIES

1

Notes: 1. The Cash Flow Statement is prepared in accordance with the Indirect Method as set out in Accounting Standard - 3 on Cash Flow Statements

2. Cash and Cash Equivalents include Rs 452.62 lakhs (31.03.2017: Rs. 411.67 lakhs) in Fixed Deposits and Margin Deposits lodged with Banks against guarantees/ letter of credit issued.

3. Previous year's figures have been regrouped/ rearranged/reclassified wherever necessary to conform with those of the current year.

4. Figures in bracket represents cash outflow.

The Accompanying notes from an integral part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar

Managing Director

(DIN : 03298532)

Place : Hyderabad

Date : 30th May 2018

A. B. Satyavas Reddy

Director

(DIN : 00137948)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A) Principles of Consolidation

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

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard 21 - "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.
- b) The financial statements of the subsidiaries used in the consolidation are drawn up to the reporting date as that of the Company, i.e. March 31, 2018.
- c) The excess of cost to the Company, of its investment in the subsidiaries over the Company's share of equity is recognised in the financial statements as Goodwill.
- d) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from current liabilities and equity of the company.

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

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) The minorities' share of movements in the equity since the date the parent subsidiary relationship came into existence.
- e) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
 - f) In case of foreign subsidiaries, being integral operations, revenue items are consolidated at yearly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Foreign subsidiaries being integral, exchange gain / (loss) arising on consolidation is recognized as Foreign Exchange Fluctuation gain / (loss).
 - g) Intra-group balances and intra-group transactions and resulting unrealised profit/loss have been eliminated.
 - h) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.
- B. Investment in subsidiary not considered for consolidation has been accounted as per Accounting Standard 13- "Accounting for Investments" notified by Companies (Accounting Standard) Rules, 2006.
- C. Basis of preparation of financial statements.
- a) The Consolidated Financial Statements are prepared on accrual basis under historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and accounting standards prescribed in Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 133 of the companies Act, 2014.
 - b) **Use of Estimates:**
The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and

assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the financial statements.

c) Fixed Assets

Tangible Assets

Parent Company:

Fixed Assets are stated at cost (net of duties and taxes) less accumulated depreciation. Cost includes installation and expenditure during construction, including import duties freight, insurance and incidental expenses relating to acquisition. Fixed Assets costing less than Rs.5,000 are fully depreciated in the year of purchase. Assessment of indication of impairment of an asset is made at the year-end and impairment loss, if any, is recognised. Depreciation is provided on Straight Line Method as per the rates and in the manner provided in the Schedule II of the Companies Act, 2013

Subsidiaries:

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

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

Intangible Assets

Parent Company:

Intangible Assets are stated at cost less accumulated amortisation. These are amortised on a straight line basis using the following rates such that the related assets are depreciated over their estimated useful lives.

Intellectual Property Rights	15.83% (6 Years)
Software	15.83% (6 Years)

Subsidiaries:

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

d) Borrowing Costs

Borrowing costs that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are recognised as expense in the Profit and Loss account.

e) Impairment of Assets

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

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

f) Investments

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

g) Inventories

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

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

h) Income Taxes

(i) Indian Entities

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Group. Tax expense relative to overseas operations is determined in accordance with the tax laws applicable in countries where such operations are domiciled. Deferred tax charge or credits are recognised for the future tax consequences attributable to timing differences that result between the profit / (loss) offered for income taxes and the profit as per the financial statements.

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

MAT credit

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

to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

ii. Foreign Entities:

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

i) Employee Benefits

Defined contribution plans

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

Defined benefit plans

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

Compensated absences

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

j) Revenue Recognition

A. Export Sales:

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

B. Manufactured Sales:

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

C. Trading Sales:

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

D. Service Income:

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

k) Foreign Currency Translation and foreign currency transactions

i) Wholly Owned Foreign Subsidiaries

Wholly owned foreign subsidiaries are classified as integral operations. All foreign currency monetary items outstanding at the yearend are translated at the year-end exchange rates. Income and expenses are translated at the average rates. The resulting exchange gains and losses are recognised in the profit & loss account.

ii) Foreign Branch

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

iii) Other Foreign Currency transactions:

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

restatement are adjusted in the Profit and Loss account.

l) Leases

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

m) Earnings Per Share

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

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

n) Provisions and contingent Liabilities

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

o) Redemption Premium

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

Note 2.1 : Reconciliation of Gross and Net Carrying Amount of Each Class of Assets

(Rupees in Lakhs)

	Freehold Land	Leasehold Improvements	Electrical Installation	Buildings @	Plant and Equipments	Furniture and Fixtures	Vehicles	Computers	Office Equipments	Total
Year ended 31st March, 2017										
Gross Carrying Amount										
Opening Balance	41.92	48.71	432.77	305.98	7,285.17	423.29	379.87	11,264.43	236.55	20,418.69
Additions	-	-	-	-	75.99	-	18.70	2.39	1.73	98.81
Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	41.92	48.71	432.77	305.98	7,361.16	423.29	398.57	11,266.82	238.28	20,517.50
Accumulated Depreciation										
Opening Balance	-	46.20	278.02	73.10	3,803.19	270.42	269.64	10,671.11	95.77	15,508.05
For the Year	-	0.08	53.18	9.59	417.07	10.32	27.05	17.24	34.37	568.90
On Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	46.28	331.80	82.69	4,220.26	280.74	296.69	10,688.35	130.14	16,076.95
Net Carrying Amount	41.92	2.44	100.97	223.29	3,140.89	142.54	101.88	578.47	108.15	4,442.47
Year ended 31st March, 2018										
Gross Carrying Amount										
Opening Balance	41.92	48.71	432.77	305.98	7,361.16	423.29	398.57	11,266.82	238.28	20,517.50
Additions	-	-	-	-	27.94	0.44	-	1.31	-	29.69
Disposals	-	-	-	-	-	(90.07)	(26.26)	(220.73)	-	(337.06)
Closing Balance	41.92	48.71	432.77	305.98	7,389.10	333.66	372.31	11,047.40	238.28	20,210.13
Accumulated Depreciation										
Opening Balance	-	46.28	331.80	82.69	4,220.26	280.74	296.69	10,688.35	130.14	16,076.95
For the Year	-	-	43.16	9.59	420.25	10.28	25.19	24.31	33.29	566.07
On Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	46.28	374.96	92.28	4,640.51	291.02	321.88	10,712.66	163.43	16,643.02
Net Carrying Amount	41.92	2.44	57.81	213.70	2,748.58	42.63	50.43	334.74	74.86	3,569.03

2.1A The Company has taken borrowings from banks which carry charge over certain property, plant and equipment

2.1B Aggregate amount of depreciation has been included under 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss (Refer Note 27).

Particulars	Gross Carrying Amount				Net Carrying Amount	
	(Rupees in Lakhs)					
	As at 31 St March 2018	As at 31 St March 2017	As at 31 St March 2018	As at 31 St March 2017	As at 31 St March 2018	As at 31 St March 2017
Certain Freehold Land at Bollaram, Hyderabad (One title Deed)	41.92	41.92	41.92	41.92	41.92	41.92

(Rupees in Lakhs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Note 2.2 : Capital Work-in-progress		
Carrying amount at the beginning of the year	1,355.54	1,355.54
Additions during the year @	-	-
Capitalised during the year	-	-
Carrying amount at the end of the year	1,355.54	1,355.54

	Computer Software - Acquired	Goodwill	Patents	Total
Note 2.3 : Intangible Assets				
Year ended 31st March, 2017				
Gross Carrying Amount				
Opening Balance	18,035.60	13,453.89	6,875.75	38,365.24
Additions	0.41	-	-	0.41
Closing Balance	18,036.01	13,453.89	6,875.75	38,365.65
Accumulated Amortisation				
Opening Balance	17,016.87	-	894.56	17,911.43
For the Year	37.99	-	30.88	68.87
Closing Balance	17,054.86	-	925.44	17,980.30
Net Carrying Amount	981.15	13,453.89	5,950.31	20,385.35
Year ended 31st March, 2018				
Gross Carrying Amount				
Opening Balance	18,036.01	13,453.89	6,875.75	38,365.65
Additions	5.40	-	-	5.40
Closing Balance	18,041.41	13,453.89	6,875.75	38,371.05
Accumulated Amortisation				
Opening Balance	17,056.52	-	925.44	17,981.96
For the Year	25.84	-	-	25.84
Closing Balance	17,082.36	-	925.44	18,007.80
Net Carrying Amount	959.05	13,453.89	5,950.31	20,363.25

(Rupees in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Note 2.4: investments		
Investments in shares	-	-
	-	-
Aggregate Amount of Unquoted investments	-	-
Investment in Subsidiary Companies is carried at cost	-	-
Note 2.5: Loans		
Non - Current		
(Unsecured and considered good)		
Loans and advance to related parties	-	-
	-	-

(Rupees in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
Note 2.6: Other Financial assets		
Non - Current		
(Unsecured and considered good)		
a) Capital Advances	9,061.49	9,061.49
b) Security deposits	2,904.02	2,904.02
c) MAT credit entitlement	1,777.52	1,777.52
	<u>13,743.02</u>	<u>13,743.02</u>
Note 2.7: Inventories (At lower of cost and net realisable value)		
Raw Materials	341.06	335.62
Finished Goods	28.91	21.21
Stock in Progress	59.60	155.66
	<u>429.58</u>	<u>512.50</u>
Note 2.8: Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	88,962.77	1,14,173.09
Considered Doubtful	7,033.13	7,033.78
	<u>95,995.91</u>	<u>1,21,206.87</u>
Less: Provision for doubtful trade receivables	(7,033.13)	(7,033.78)
(A)	<u>88,962.77</u>	<u>1,14,173.09</u>
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Considered Good	779.39	606.12
Considered Doubtful	-	-
	<u>779.39</u>	<u>606.12</u>
Less: Provision for doubtful trade receivables		
(B)	<u>779.39</u>	<u>606.12</u>
(A+B)	<u>89,742.17</u>	<u>1,14,779.21</u>
Note (i) During the year, the Company adjusted some of its Trade Payables and Un-Secured Loan outstanding with some Trade Receivables totaling Rs. 25752.56 Lakhs with the consent of all concerned parties, Refer Note No. 2.41 for details		
Note 2.9: Cash and cash equivalents		
Cash and cash equivalents		
Cash on Hand	23.74	25.61
In Ear marked Accounts	452.62	411.67
	<u>476.36</u>	<u>437.28</u>
Note 2.10 : Bank balance other than cash and cash equivalents		
Balances with Banks:		
In current accounts	153.26	201.59
In EEFC account	0.97	0.97
In Deposit accounts	-	-
Other bank balances	-	-
Margin Money deposits	-	-
⁶ - In Dividend Account	12.84	12.84
	<u>167.07</u>	<u>215.40</u>

(Rupees in Lakhs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Note 2.11: Loans		
Current		
(Unsecured and considered good)		
Loans and advance to Employees	43.89	45.35
	<u>43.89</u>	<u>45.35</u>
Note 2.12: Other Current Assets		
Security deposits	273.80	217.36
Prepaid expenses	9.49	10.64
CENVAT & vat credit receivable	-	18.14
Service tax credit receivable	-	22.50
TDS receivable	577.60	427.14
Advances for supply of goods and rendering of services	12,266.05	2,768.92
Less: Provision for Doubtful Advances	(14.08)	(14.08)
Interest accrued but not due on deposits	43.53	57.30
Advance tax	3,211.80	3,233.24
	<u>16,368.20</u>	<u>6,741.16</u>
Note 2.13 A : Share capital		
Authorised		
i) 110,000,000 (31.03.2017:110,000,000) Equity Shares of Rs.10 each	11,000.00	11,000.00
Issued, subscribed and fully paid up		
i) 34,048,861 (31.03.2017 : 34048861) Equity Shares of Rs.10 each	3,404.89	3,404.89
Total	<u>3,404.89</u>	<u>3,404.89</u>

Notes:

i) Reconciliation of number of shares and amount outstanding at March 31,2018 and March 31,2017 is as follows:

Particulars	Year Ended 31 March 2018		Year Ended 31 March 2017	
	No.of Shares	Rupees in Lakhs	No.of Shares	Rupees in Lakhs
a) Equity				
Shares outstanding at the beginning of the Year/Period	3,40,48,861	3,404.89	340,48,861	3,404.89
Shares issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	340,48,861	3,404.89	340,48,861	3,404.89
ii) Details of shares held by each share holder holding more than 5% shares				
Name of the share holder	Year Ended 31 March 2018		Year Ended 31 March 2017	
	No.of Shares Held	%	No.of Shares Held	%
a) Info Tech Infinn & Trading P Ltd	22,00,000	6.46	2,200,000	6.46
	<u>22,00,000</u>		<u>2,200,000</u>	

(Rupees in Lakhs)

PARTICULARS		As at 31Mar 2018	As at 31 Mar 2017
Note 2.13 B:- Reserves and surplus			
i)	Capital reserve		
	Opening balance	5,439.46	5,439.46
	Add: Additions during the year/period (note)	-	-
	Closing balance	5,439.46	5,439.46
ii)	Securities premium account		
	Opening balance	17,703.99	17,703.99
	Add: Premium on conversion of FCCB's	-	-
	Less: Premium on Redemption of FCCB's	-	-
		17,703.99	17,703.99
iv)	General reserve	125.00	125.00
v)	Surplus in statement of profit and loss		
	Opening balance	(6,952.42)	(2,817.32)
	Add: Profit for the year/period	(4,184.38)	(5,101.51)
	Less: Appropriations	-	-
	Proposed dividend	-	-
	Dividend distribution tax	-	-
	OCI	44.35	(727.06)
	Less : Adjustment (Retain Earnings - Fixed Assets)	2,398.42	1,693.47
	Closing Balance	(8,694.04)	(6,952.42)
	Total	14,574.43	16,316.03

Note 2.14: Long-term provisions

Provision for Employee benefits (Refer note 2.28)	51.39	115.77
	51.39	115.77

Note 2.15: Short-term borrowings

From Banks - Note (i) and (ii)	17,225.51	17,224.17
Unsecured Loans from Subsidiaries - Note (iii)	-	-
	17,225.51	17,224.17

- i) Loans repayable on demand includes an amount of Rs. 17225.51 lakhs (31.03.2017:Rs. 17224.17 lakhs) represents working capital loans from Bank of Baroda, Bank of India, Andhra Bank, Barclays Bank and IDBI Bank are inter alia secured by way of pari passu first charge on current assets and pari passu second charge on fixed assets both present and future. Further these loans are secured by personal guarantee and properties of Mr.A.B.S.Reddy.
- ii) 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 2.16 : Trade payables

(Refer Note no. 46 for details of dues from Micro and small enterprises)

Acceptances	-	-
Other than acceptances - Note (i)	20,315.71	28,865.03
	20,315.71	28,865.03

Note : (i) During the year, The Company adjusted some of its Trade Payables with Trade Receivables totaling Rs.19345.94 Lakhs with the consent of all concerned parties. Refer Note No. 2.41 for details

(Rupees in Lakhs)

PARTICULARS	As at 31Mar 2018	As at 31 Mar 2017
Note 2.17: Other current liabilities		
Current maturities of long-term debt -Notes	49,652.16	55,108.90
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	22,500.67	11,756.22
Inter corporate Deposits	4,561.42	4,561.42
Other liabilities	901.18	11,931.50
Unclaimed dividends	-	12.83
Statutory remittances	45.72	44.16
Payables for Capital works	47.02	160.38
Advances from customers	45.95	142.51
	77,754.11	83,717.92

Notes:

- (i) Term Loans from banks viz. Bank of Baroda, Bank of India, Andhra Bank, Indian Bank, Life Insurance Corporation of India are secured by first pari passu charge on all the immovable and movable fixed assets of the company both present and future and second pari passu charge on the current assets both present and future of the company. Further, these loans are secured by personal guarantees and properties of the A.B.S.Reddy.
- (ii) Terms of repayment are given below:
- Loan taken from Bank of Baroda carries an interest rate of 14.75% p.a and is repayable in 24 quarterly installments of Rs.137.50 lakhs each from Feb'2010 to Nov'2015.
 - Loan taken from Bank of India carries an interest rate of 14.75% p.a and is repayable in 18 quarterly installments of Rs.330.00 lakhs each from Apr'2009 to Jul 2013.
 - Loan taken from Andhra bank carries an interest rate of 14.50% p.a and is repayable in 36 monthly installments of Rs.152.78 lakhs each from Aug'2010 to Jul 2013.
 - Loan taken from Indian bank carries an interest rate of 16.25% p.a and is repayable in 24 quarterly installments of Rs.91.67 lakhs each from Nov'2008 to Aug 2014
 - Loan taken from Life Insurance Corporation of India carries an interest rate of 13% p.a and is repayable in 21 quarterly installments of Rs.142.80 lakhs each from Jan'2011 to Jan' 2016
- (iii) The Company has not provided for Interest on Unsecured Loans.

Note 2.18: Short-term provisions

Provision for income tax	3,430.68	3,473.00
Provision for FBT	654.11	654.11
Dividend Distribution Tax	56.56	56.56
Provision for Premium Payable on Redemption of FCCB	10,793.34	10,793.34
	14,934.69	14,977.01

Note 2.19: Revenue from operations

A) Exports- Software		
Value Added	Domestic	-
Self Developed	Exports	143.91
B) Manufacturing		2,556.99
C) Trading		
Software		-
Hardware		-
D) Services		5,825.73
E) Other Operating Revenue		
Sale of scrap		-
Total		8,526.63

(Rupees in Lakhs)

Particulars of sale of products	Year ended 31.03.2018		Year ended 31.03.2017	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
A Manufactured goods				
Cards & RFID	9,078,789	1,055.35	20,794,947	2,556.99
Total	9,078,789	1,055.35	20,794,947	2,556.99

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
------------	---------------------------	---------------------------

Note 2.20: Other Income

a) Interest on deposit with banks and others	15.28	1.32
b) Exchange gain(net)	-	-
c) Creditors no longer payable	124.69	17.85
d) Miscellaneous income	63.16	-
	203.13	19.17

Note 2.21: Cost of materials consumed

Opening Stock	335.62	413.05
Add : Purchases	823.74	2,011.34
	1,159.36	2,424.39
Less : Closing stock	341.06	335.62
Less : Loss of Stock	-	354.27
	818.30	1,734.50

Details of raw materials consumed	Year ended 31.03.2018		Year ended 31.03.2017	
	Qty (Nos.)	Rupees in Lakhs	Qty (Nos.)	Rupees in Lakhs
Cards/RFID	8,174,874	818.30	19,371,177	1,734.50
Software	-	-	-	-
Total	8,174,874	818.30	19,371,177	1,734.50

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
------------	---------------------------	---------------------------

Note 2.22: Changes in inventories of finished goods, work in progress and stock-in-trade

Inventories at the beginning of the year:

Finished goods	21.21	354.27
Work in progress	155.66	28.85
Stock in trade	-	-
	176.88	383.11

Inventories at the end of the year:

Finished goods	28.91	21.21
Work in progress	59.60	155.66
Stock in trade	-	-
	88.51	176.88
Net (increase) / decrease	88.36	206.24

Note 2.23: Employee benefit expense

Salaries, wages and bonus	1,098.23	1,509.61
Contribution to provident and other funds	45.24	58.20
Staff welfare expenses	6.73	10.87
	1,150.20	1,578.68

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

(Rupees in Lakhs)

Paticulars	Year Ended 31 MAR 2018	Year Ended 31 MAR 2017
Note 2.24: Finance costs		
Interest expense on Borrowings	5,238.89	5,187.35
	<u>5,238.89</u>	<u>5,187.35</u>
Note 2.25 : Depreciation and amortisation expense		
Depreciation of Tangible Assets (Refer Note 2.1)	566.07	568.90
Amortisation of Intangible Assets (Refer Note 2.3)	25.84	68.87
	<u>591.91</u>	<u>637.77</u>
Note 2.26: Other expenses		
Advertisement	0.84	0.85
Annual Maintenance Expenses	14.07	18.47
Bank charges	0.86	2.43
Business promotion	7.72	4.67
Communication	42.93	50.66
Directors' Sitting fees	0.80	1.05
Factory maintenance	1.28	-
Insurance	11.72	5.65
Job work charges	5.60	11.50
Manpower Charges(Factory)	16.05	16.76
Legal and professional	308.42	655.86
Miscellaneous expenses	21.30	9.02
Other manufacturing expenses	1.66	3.96
Power and fuel	44.86	67.61
Payments to auditors (Refer Note (i) below)	10.00	10.00
Printing and stationery	29.56	31.42
Bad Debts / Sundries Write off	-	9.31
Rates and taxes	19.26	20.07
Sales tax paid	2.51	9.90
Rent	55.49	49.45
Clearing and Forwarding Charges	12.15	14.41
Server Maintenance Charges	5.45	8.54
Postage & Courier	7.52	15.27
Vehicle Maintenance	6.40	3.92
Repairs and Maintenance	3.02	5.95
Enrolment Expenses	3,288.53	2,704.44
Discount Given	9.75	37.15
Office Maintenance	75.22	133.74
Security Charges	2.52	2.53
Listing Fees	10.02	9.88
Vehicle Hire Charges	-	-
Other Expenses	6.17	4.06
Travelling and conveyance	55.99	69.90
Provisions for Advances / Claims /debts	-	-
	<u>4,077.67</u>	<u>3,988.42</u>
Note (i): Payments to the auditors (Exclusive of Service Tax / GST)		
As auditors -statutory audit	8.00	8.00
As auditors -Internal Audit	2.00	2.00
Other Services	-	-
Total	<u>10.00</u>	<u>10.00</u>

2.27 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%

2.28 Contingent Liabilities:**A. Claims Against The Company Not Acknowledged As Debts:**

Disputed Taxes	As At 31.03.2018	As At 31.03.2017
Income Tax	11165.45	11766.30
Sales Tax	-	608.96

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

B. Letters of Credit and Guarantees issued:

Rs In Lakhs

Particulars	As At 31.03.2018	As At 31.03.2017
Letters of Credit	-	-
Counter Guarantees Given To Banks Towards:		
- Bank Guarantees Issued	Rs.452.62	Rs.461.75
- Corporate Guarantees	-	-

2.29 Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance Rs.9,061.49 lakhs (31.03.2017 Rs.9,061.49 lakhs))] Rs1,355.54 lakhs (31.03.2017 Rs. 1,355.54 lakhs).

2.30 Unsecured Loans:**Foreign Currency Convertible Borrowings (FCCB):**

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

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

Rupees in Lakhs

	As At 31.03.2018		As At 31.03.2017	
	FCCB	Total	FCCB	Total
	(Redeemable in 2013)		(Redeemable in 2013)	
Opening Balance	32360.00	32360.00	33088.70	33088.70
Add: FCCB raised during the year.	-	-	-	-
Add: Foreign Exchange Loss (net)	-	-	-	-
Less: Foreign Exchange Gain (net)	50.00	50.00	728.70	728.70
Closing Balance	32410.00	32410.00	32360.00	32360.00

2.31 Sales:**Self Developed Software**

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

2.32 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.

1. Key Management Personnel

Mr. K. Udai Sagar – Managing Director

Related Party Transactions:

Rupees in Lakhs

Transactions	Subsidiaries		Key Management Personnel and their Relatives	
	2017-18	2016-17	2017-18	2016-17
Diminution in value of Investment.				
Investments				
ROI Public Relations Pvt Ltd.	-	-	-	-
Advances Written-Off				
Advances to				
Remuneration Paid				

2.33 Auditor's Remuneration

Rupees in Lakhs

Particulars	2017-18	2016-17
Audit Fees	8.00	8.00
Internal Audit Fees	2.00	2.00
Other Services	-	-
Total	10.00	10.00

The above excludes applicable service tax / GST thereon.

2.34 Segment Reporting

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

Rupees in Lakhs

Particulars	2017-2018	2016-2017
Segment Revenue		
- Within India	6868.31	7182.55
- Outside India	670.40	1344.08
Total Revenue	7538.71	8526.63
Segment Assets		
- Within India	30484.69	30594.49
- Outside India	117776.04	134026.32
Total Assets	148260.73	164620.82
Segment Liabilities		
- Within India	71751.28	78491.30
- Outside India	58530.14	66408.59
Total Liabilities	130281.42	144899.89

Capital Expenditure		
Tangible Assets:		
- Within India	29.69	98.81
- Outside India	--	--
Intangible Assets:		
- Within India	5.40	0.41
- Outside India	--	--
Total Capital Expenditure	35.09	99.22

2.35 Composition of Deferred Tax Asset :

Rupees in Lakhs

Particulars	As At 01.04.2017	Movement During the Year	As At 31.03.2018
Deferred Tax Liability:			
Relating to Fixed Assets	(748.90)	60.00	(688.90)
Total	(748.90)	60.00	(688.90)
Deferred Tax Assets:			
Provision for Doubtful Debts / Advances / Deposits	2282.11	-	2282.11
Disallowances under Section 43B	37.56	(20.89)	16.67
Unabsorbed Depreciation	--	--	--
Total	2319.67	(20.89)	2298.89
Net Deferred Tax Liability	1570.77	39.11	1609.89

2.36 Earnings Per Share:

Particulars	2017-18	2016-17
Profit after Taxation (Rs. in Lakhs)	(4140.03)	(5828.57)
Profit attributable to Equity shareholders for Basic and Diluted EPS (Rs. in Lakhs)	(4140.03)	(5828.57)
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	(12.16)	(17.12)
- Diluted	(12.16)	(17.12)

2.37 Disclosures as required under Accounting Standard AS-19

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 Indian Accounting Standard (Ind AS)-19. Disclosures required in terms of the requirement of Ind AS-19.

Expenses recognised in statement of profit and loss account			
Particulars	Gratuity	Compensated Absences	Total
Current Service Cost	34.34	25.81	60.15
	18.03	19.06	37.09
Interest Cost	7.56	4.11	11.67
	5.98	2.85	8.83
Actuarial (Gains)/Losses	12.12	6.71	18.83
	6.32	8.20	14.52
Total expense included in the Statement of Profit & Loss	54.01	36.63	90.64
	30.33	30.11	60.44

Net Liability recognized in Balance Sheet			
Present Value of Defined Benefit Obligation	134.34	80.98	215.32
	<i>101.41</i>	<i>55.17</i>	<i>156.58</i>
Fair Value on Plan Assets	--	--	--
	--	--	--
Net Liability recognised in Balance Sheet	134.34	80.98	215.32
	<i>101.41</i>	<i>55.17</i>	<i>156.58</i>
Change in Defined Benefit Obligations (DBO)			
Present Value of DBO at Beginning of Period / Year	101.41	55.17	156.58
	<i>76.63</i>	<i>36.11</i>	<i>112.74</i>
Current Service Cost	34.34	25.81	60.15
	<i>18.03</i>	<i>19.06</i>	<i>37.09</i>
Interest Cost	7.56	4.11	11.67
	<i>5.98</i>	<i>2.85</i>	<i>8.83</i>
Actuarial (Gains)/Losses	12.12	6.71	18.83
	<i>6.33</i>	<i>8.20</i>	<i>14.53</i>
Benefits Paid	(21.08)	(10.82)	(31.90)
	<i>(5.55)</i>	<i>(11.05)</i>	<i>(16.60)</i>
Present Value of DBO at the End of Period/Year	134.34	80.98	215.32
	<i>101.41</i>	<i>55.17</i>	<i>156.58</i>

Assumptions	
Interest / Discount Rate	7.75%
	<i>7.45%</i>
Rate of escalation in salary	7.00%
	<i>7.00%</i>
Attrition Rate	4.00%
	<i>4.00%</i>

Note: Figures in italics relate to previous year

i. Discount Rate

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

ii. Salary Escalation Rate

The estimates of future salary increase considered takes into account the inflation, seniority and other relevant factors					
Net Asset/(Liability) recognised in Balance Sheet					
Particulars	2017-18	2016-17	2015-16	2013-15	2012-13
Gratuity					
Present value of defined benefit obligation	134.34	101.41	76.63	59.53	45.82
Fair value of plan assets	--	--	--	--	--
Status [Surplus / (Deficit)]	134.34	101.41	76.63	59.53	45.82
Compensated Absences					
Present value of defined benefit obligation	80.98	55.17	36.11	31.60	17.75
Fair value of plan assets	--	--	--	--	--
Status [Surplus / (Deficit)]	80.98	55.17	36.11	31.60	17.75

2.38 Current Income Tax:

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

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

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

As at the balance sheet date 300 kiosks have been constructed and for the balance 1,700 kiosks, allotment of clear sites by MCD is awaited. Capital Work-in-progress includes the amounts expended on such construction which aggregates to Rs.1,355.54 Lakhs (2016-17 : Rs. 1,355.54 lakhs). Further amounts aggregating to Rs. 9061.49 Lakhs (2016-17:Rs.9061.49 lakhs) has been advanced for work to be carried out.

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

2.41 The Company adjusted Unsecured loan from Bartronics Asia Pte Ltd and trade Payable amount with Trade Receivables of Rs.25749.56 Lakhs equivalent \$ 397.25 Lakhs during the year with the consent of both the parties, Details as follows:

Rupees in Lakhs

Sl.No.	Particulars	Nature of A/c	Amount in Rs.	Amount in \$
1.	Intra Asia Trading Pte Ltd	Trade Payable	1,110.05	17.13
2.	Apies Ventures Pte Ltd	Trade Payable	4,499.02	69.41
3.	Micropart International	Trade Payable	8308.08	128.17
4.	Bistrolia Asia Inc	Trade Payable	1041.40	16.07
5.	Starline Holding INC	Trade Payable	1386.24	21.39
6.	Magnum Enterprises Ltd	Trade Payable	1623.42	25.05
7.	Intra Asia Trading Pte Ltd	Trade Payable	1377.72	21.25
8.	Bartronics Asia Pte Ltd	Unsecured Loan	6403.63	98.78
Totals			25749.55	397.25

Sl.No.	Particulars	Nature of A/c	Amount in Rs.	Amount in \$
1.	Max Arabian FZE	Trade Receivable	6105.42	94.19
2.	Apies Ventures Pte Ltd	Trade Receivable	1808.94	27.90
3.	Micropart International	Trade Receivable	1394.69	21.52
4.	Bistrolia Asia Inc	Trade Receivable	2092.37	32.28
5.	Starline Holding INC	Trade Receivable	8338.86	128.65
6.	Magnum Enterprises Ltd	Trade Receivable	2107.65	32.52
7.	Empire Gulf FZE	Trade Receivable	3901.62	60.19
Totals			25749.55	397.25

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

In terms of our report attached

For and on behalf of the Board of Directors

For T.Raghavendra & Associates

Chartered Accountants

(FRN : 003329S)

T.Raghavendra

(Mem No. 023806)

Place : Hyderabad

Date : 30th May 2018

K. Udai Sagar
Managing Director
(DIN : 03298532)

Place : Hyderabad
Date : 30th May 2018

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

BARTRONICS INDIA LIMITED

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

CIN : L29309AP1990PLC011721

Member's Folio Number

No.of Shares held

ATTENDANCE SLIP (26th AGM)

This Attendance Slip duly filled in to be handed over at the entrance of the Meeting Hall.

Name of the Attending Member or Proxy (In Block Letters)

I hereby record my presence at the 26th Annual General Meeting held on Friday, 28th September, 2018 at 11.00 A.M. at Survey No. 351, Raj Bollaram Village, Medchal Dist., Telangana - 501 401.

To be signed at the time of handing over this slip

.....
Member's / Proxy's Signature

Form No. MGT-11

PROXY FORM

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual general meeting of the company, to be held on the September 28, 2018 At 11.00 a.m. at Survey No. 351, Raj Bollaram Village, Medchal Mandal, Ranga Reddy District, Telangana – 501 401 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
	Ordinary Business		
1.	Adoption of Financial Statement for the period ended 31st March, 2018.		
2.	e-appointment of Mr. A. B. Satyavas Reddy, who retires by rotation.		
3.	Appoint of M/s N. G. Rao & Associates, Chartered Accountants as Statutory Auditors of the Company for a term of 5 years.		
	Special Business		
4.	Appointment of Mr. Shareq Jamil Ayaz Mowla as an Independent Director in terms of Section 149 of the Companies Act, 2013.		
5.	Appointment of Mr. Krishna Kishore Madicharla as an Independent Director in terms of Section 149 of the Companies Act, 2013.		
6.	Appointment of Ms. Gaddam Varshitha as an Independent Director in terms of Section 149 of the Companies Act, 2013.		

Signed this day of Sept, 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
3. It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission

POLLING PAPER

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

Name of the Company	: Bartronics India Limited			
Registered office	: L29309AP1990PLC011721			
BALLOT PAPER				
S.No.	Particulars	Details		
1	Name of the First Named Shareholder (In block letters)			
2.	Postal address			
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4.	Class of Share	Equity		
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:				
Item No.	Resolution	No. of shares held	I / We assent to the resolution	I / We dissent to the resolution
	Ordinary Business			
1.	Adoption of Financial Statement for the period ended 31st March, 2018			
2.	Re-appointment of Mr. A. B. Satyavas Reddy, who retires by rotation.			
3.	Appoint of M/s N. G. Rao & Associates, Chartered Accountants as Statutory Auditors of the Company for a term of 5 years.			
	Special Business			
4.	Appointment of Mr. Shareq Jamil Ayaaz Mowla as an Independent Director in terms of Section 149 of the Companies Act, 2013.			
5.	Appointment of Ms. Krishna Kishore Madicharla as an Independent Director in terms of Section 149 of the Companies Act, 2013.			
6.	Appointment of Ms. Gaddam Varshitha as an Independent Director in terms of Section 149 of the Companies Act, 2013.			

Place:

Date:

(Signature of the shareholder)

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

INSTRUCTIONS

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

INTENTIONALLY KEPT BLANK

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BARTRONICS INDIA LIMITED

Registered Office:

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

www.bartronics.com