

BOARD OF DIRECTORS

Shri Sudhir Rao	-	Managing Director
Shri V.Rama Mohan Rao	-	Director (Finance)
Shri K.N.Dupare	-	Director (IDBI Nominee)*
Shri A.B.S. Reddy	-	Director
Shri R.Satish Reddy	-	Director
Shri B.Narayana Swamy	-	Director*
Shri T.Venkateswara Rao	-	Director*

*Independent Non-Executive Directors

REGISTERED OFFICE	-	5-9-22/B/404, My Home Sarovar, Secretariat Road, Hyderabad – 500 004. Ph: 23298073, 23298074
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AUDITORS	-	M/s Yaji Associates Chartered Accountants, Hyderabad.
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FINANCIAL INSTITUTIONS	-	Industrial Development Bank of India
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BANKERS	-	Andhra Bank, Somajiguda Branch, Hyderabad.
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BARTRONICS INDIA LIMITED

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of the company will be held on Monday, 2nd day of May, 2005 at 3rd Floor, Plot No.18, Nagarjuna Hills, Panjagutta, Hyderabad – 500 082 at 11.30 A.M.

Ordinary Business :

1. To receive, consider and adopt the audited balance sheet as at March 31, 2005 and the profit and loss account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To re-appoint a director in place of Shri A.B.S. Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To re-appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors of the company on a later date. The retiring Auditor, M/s YAJI Associates, Chartered Accountants, Hyderabad, being eligible, offers themselves for reappointment.

Special Business:

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

“RESOLVED that Shri B.Narayanswamy, who was appointed as an Additional Director of the company with effect from 25.04.2005 and holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation”.

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

“RESOLVED that Shri T.Venkateswara Rao, who was appointed as an Additional Director of the company with effect from 25.04.2005 and holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation”.

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

“RESOLVED that pursuant to the provisions of Section 94(1)(b) of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors to consolidate 2,40,00,000 (Two Crores Forty Lakhs) existing equity shares of Rs.5/- (Rupees Five Only) each fully paid up in the capital of the Company into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of Rs.10/- each fully paid up.”

“RESOLVED FURTHER that Shri Sudhir Rao, Managing Director of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies, Andhra Pradesh, Hyderabad and to do all such acts, deeds and things to give effect to the aforesaid resolution.”

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“RESOLVED FURTHER that Clause V of the Memorandum of Association of the Company be altered as follows: -

V). The Authorized Share Capital of the Company is Rs.12,00,00,000/- (Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore and Twenty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each with power to increase and reduce the capital, to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and the Companies Act, 1956, and to vary, modify or abrogate such rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company.”

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

“RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors to increase the Authorized Share Capital of the Company from Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore and Twenty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs.17,00,00,000/- (Rupees Seventeen Crores only) divided into 1,70,00,000 (One Crore and Seventy Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each, by further creation of 50,00,000 (Fifty Lakhs Only) Equity shares of Rs.10/- (Rupees Ten only) each.”

“FURTHER RESOLVED that the Clause V of the Memorandum of Association of the Company be altered as follows:

V) “The Authorized Share Capital of the Company is Rs. 17,00,00,000 (Rupees Seventeen Crores only) divided into 1,70,00,000 (One Crore and Seventy Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten only) each payable in the manner as may be determined by the directors of the Company, from time to time, with power to increase or reduce the same from time to time subject to the provisions of the Companies Act, 1956.”

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

“RESOLVED that pursuant to Article 3H of the Articles of Association of the company and in accordance with the guidelines of the Securities and Exchange Board of India, the Board do hereby recommend that a sum of Rs.2,18,96,500/- be capitalized out of the general reserve and set free for distribution amongst the equity shareholders by issue of 21,89,650 (Twenty One Lakhs Eighty Nine Thousand and Six Fifty Only) equity shares of Rs.10/- each credited as fully paid to the equity shareholders in the proportion of 1(One) equity share for every 2(Two) equity shares held by them on the record date to be decided by the board and that such new shares as and when issued and fully paid, shall rank pari passu with the existing equity shares of the Company.”

“RESOLVED FURTHER that the Managing Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things as he may at his discretion deem fit or necessary or desirable for such purpose with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as he may in his absolute discretion deem fit.”

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

“RESOLVED that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re- enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or any other Rules / Regulations prescribed by any relevant authority from time to time to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required, the Board (which term shall be deemed to include any “Compensation Committee”, or any “sub Committee” thereof constituted by the Board to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized on behalf of the Company to create, offer and grant from time to time in one or more tranches, options to apply for Equity Shares of the face value of Rs. 10/- each of the Company to or for the benefit of the employees (including Independent Directors / Whole-time Directors of the Company) under the Scheme titled “Employee Stock Option Scheme-2005” (hereinafter referred to as “ESOS 2005”) to be evolved in this regard and consequently create, issue, offer, allocate at any time Equity Shares not exceeding in number 4,00,000 (Four Lakhs only) of Rs. 10/- each in terms of such options. The options and the consequential issue, offer, allocation and allotment of shares shall rank *pari passu* with the existing Equity Shares of the Company and shall be at such price including at a discount, in such manner, during such period in one or more tranches and on such other terms and conditions as the Board may decide. The Board is further authorized to fix such price including at par / discount / premium, terms and conditions and criteria for grant of option as the Board may deem fit in respect of each tranche of options granted by the Board.”

“RESOLVED FURTHER that the said Securities may be allotted directly to such employees/directors in accordance with an ESOP Scheme framed in that behalf or through a trust which may be set up in any permissible manner and that the ESOP Scheme may also envisage for providing any financial assistance to the employees or to the trust to enable the employee(s) / trust to acquire, purchase or subscribe to the securities of the Company.”

“RESOLVED FURTHER that to determine all other terms and conditions for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same as described above under ESOS 2005 the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard to such issue(s) / allotment(s) including to amend or modify any of the terms of such issue or allotment(s) without being required to seek any further consent or approval of the members”.

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

“RESOLVED that subject to the provisions of Section 81(1A) of the Companies Act, 1956 (including any amendment to or re-enactment thereof) and other applicable provisions, if any, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and applicable regulations and guidelines of the Securities and Exchange Board of India (“SEBI”), and subject to such approvals, consents, permissions and sanctions as may be necessary from SEBI, the stock exchanges, the Reserve Bank of India and all other appropriate statutory, governmental and other authorities and departments in this regard and subject to such conditions and modifications as may be prescribed by the respective

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statutory, governmental and other authorities and departments while granting such approvals, sanctions, consents and permissions, the Board of Directors of the Company be and is hereby authorized to issue up to 80,00,000 [Eighty Lakhs Only] Equity Shares of Rs. 10/- each for cash at such premium in accordance with the book building process prescribed by SEBI or on preferential basis aggregating to Rs. [·] Crores to individuals, companies, banks, financial institutions, employees, QIBs, NRIs, FIIs and other persons, whether resident in India or otherwise and whether they are members or promoters of the Company, as may be decided by the Board of Directors in consultation with its merchant bankers.”

“RESOLVED FURTHER that the Company intends to establish an option for allocating Equity Shares in excess of the Equity Shares that are included in the Issue in consultation with the BRLM to operate a price stabilization mechanism in accordance with the applicable DIP Guidelines. The Green Shoe Lenders will transfer the Equity Shares to the Stabilizing Agent upon exercise of the Green Shoe Option”.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized in its discretion to accept such conditions and modifications as may be prescribed by SEBI or RBI or any other authority while according consent or sanction to the proposed issue of the said equity shares including variation, if any, in the proposed amount of premium and take such consequential action thereon, including the authority to revise/adjust the value/quantum of equity shares reserved for any category or any portion thereof in such manner as may be beneficial to the Company in the event of such variation being considered expedient.”

“RESOLVED FURTHER that the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the equity shares and the utilization of the issue proceeds as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, including the premium to be charged on the shares, to vary the size of the issue, appoint lead managers, banks or other authorities or agencies concerned or as the Board may *suo moto* decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters to do things whatsoever, including settle any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorised herein, and that all or any of the powers conferred on the Board vide this resolution may exercised by the Board.”

“RESOLVED FURTHER that the new equity shares arising out of this issue shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.”

“RESOLVED FURTHER that the Board be and is hereby authorized to delegate to a committee of directors or any director or the Managing Director all or any of its powers or authorities or discretion vested in it in terms of this resolution as permitted in law.”

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

“RESOLVED that pursuant to the provisions of the Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered as follows:

Article 3(B) shall be renumbered as Article 3 (B) (I)

Article 3(B) (II) will be added after Article 3 (B) (I):

(B) (II).

- (1) Where at the time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
 - (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
 - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him.
 - (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think most beneficial to the Company.
- (2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
 - (a) If a special resolution to that effect is passed by the company in General Meeting, or
 - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or, where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorize any person to exercise the right of renunciation for the second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

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(4) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

- (i) To convert such debentures or loans into shares in the company; or
- (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

Article 3(N) will be added after Article 3(M):

3(N) In the event it is permitted by the law and subject to such conditions, approvals, or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of capital. If and to the extent permitted by law, the Company shall also have the power to re-issue the shares so bought back.

Article 110(A) will be added after Article 110:

110 (A) Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Bartronics India Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the company to the 'Investor Education and Protection Fund' established under Sub-section (1) of Section 205C of the Companies Act, 1956.

BY ORDER OF THE BOARD
FOR BARTRONICS INDIA LIMITED

PLACE : HYDERABAD
DATE : 25.04.2005

SUDHIR RAO
MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY HELD AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Members/Proxies are requested to bring along with them Annual Reports being sent to them.
3. The Share Transfer books and Register of Members of the Company will remain closed during the period from 28.04.2005 to 29.04.2005 (both days inclusive).
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the members at the Registered Office of the Company, Fourteen days before and Three days after, the date of the Annual General Meeting of the Company.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.

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

ITEM NO. 4

Shri B. Narayanswamy was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 25.04.2005, who holds office upto the date of the ensuing Annual General Meeting of the Company.

Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Shri B. Narayanswamy as Director together with the requisite deposit. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered office of the Company on any working day.

Shri B. Narayanswamy has done his Chemical Engineering and holds Master Degree in Engineering with specialization in renewable source of energy and is having 27 years of experience in different fields.

Further, he has successfully established Joint Ventures, exclusive representations with renowned Companies in USA, Europe and Japan in the areas of Information Technology related areas, Internet and Gateway Solutions etc.,

He has also conceptualized and setup Graphics and Animation Studio to cater to the growing markets in computer based multimedia applications and initiated, designed and implemented the multi-module Management Information System from concept to commissioning for the complete operations of the companies, has been a member of the

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team to develop and implement Information Technology Systems for Marketing and Sales on a Global Scale. Streamlined Import Procedures and Policies for the Company to optimize the cost of imported raw materials.

Keeping in view his qualifications, diversified experience and aforesaid achievements, the Board of Directors of the Company is confident that the services of Shri B.Narayanswamy would result in substantial increase in the performance of the Company.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri B. Narayanswamy is concerned or interested in the aforesaid resolution.

ITEM NO. 5

Shri T.Venkateswara Rao was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 25.04.2005, who holds office upto the date of the ensuing Annual General Meeting of the Company.

Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 has been received from a member proposing the appointment of Shri T.Venkateswara Rao as Director together with the requisite deposit. The said notice and the Memorandum and Articles of Association of the Company are available for inspection at the Registered office of the Company on any working day.

Shri T.Venkateswara Rao is a Post Graduate in Management. He worked in Banking Industry for 25 years in various capacities. He worked as the Vice-President and Branch Head in IndusInd Bank Limited. Keeping in view his qualifications and experience he has been proposed for appointment as Director.

Therefore, your Directors recommend the resolution for your approval.

None of the Directors of the Company except Shri T.Venkateswara Rao is concerned or interested in the aforesaid resolution.

ITEM NO. 6

Article 6(1)(c) of the Articles of Association of the Company authorizes the Board for the consolidation of its equity shares. As per such authorization, the Board of Directors has felt it necessary to consolidate 2 (two) equity shares of the Company having nominal value of Rs.5/- each into 1 (one) equity share of Rs.10/- each.

Accordingly the Memorandum of Association should also be altered to incorporate the said subdivision.

Your Directors now recommend the resolution for your approval.

None of the Directors are concerned or interested in the aforesaid resolution apart from the Directors holding shares of the Company to the extent of the equity shares held by them.