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**CORPORATE INFORMATION**  
**BOARD OF DIRECTORS**

- : Sri. Sudhir Rao, Managing Director  
Sri. A.B.S. Reddy \*  
Sri. R.Satish Reddy \*  
Sri. B. Narayanaswamy \*\*  
Sri. T.Venkateswara Rao, Whole Time Director  
Sri. K.N.Dupare, (IDBI Nominee)\*\*  
Sri. Y R Rao\*\*  
Sri R Subramanian\*\*

\* Promoter Non Executive Directors

\*\* Independent Non Executive Director

**AUDIT COMMITTEE**

- : Sri R Subramanian  
Sri A.B.S. Reddy  
Sri B Narayanswamy  
Sri K.N. Dupare  
Sri Y.R. Rao

**REMUNERATION COMMITTEE**

- : Sri R. Subramanian  
Sri B. Narayanswamy  
Sri K.N. Dupare  
Sri Y.R. Rao

**SHAREHOLDERS/INVESTORS**  
**GREIVANCES COMMITTEE**

- : Sri A.B.S. Reddy  
Sri Sudhir Rao  
Sri R. Satish Reddy  
Sri K.N. Dupare

**SHARE TRANSFER COMMITTEE**

- : Sri Sudhir Rao  
Sri R. Satish Reddy  
Sri K.N.Dupare

**DY. COMPANY SECRETARY**

- : Sri Y. Srinivasa Rao

**REGISTERED OFFICE**

- : 5-9-22/B/404, My Home Sarovar,  
Near Mediciti Hospital, Secretariat Road,  
Hyderabad - 500 004,  
Phone : 040 – 23298073/8074  
URL : www.bartronicsindia.com

**AUDITORS**

- : M/s.Yaji Associates,  
Chartered Accountants  
10-3-281/1/301, Humayun Nagar, Mehdiapatnam,  
Hyderabad – 500028.

**BANKERS**

- : Bank of Baroda, Basheerbagh Branch, Hyderabad  
ABN Amro Bank, Banjara Hills, Hyderabad

**LISTING**

- : Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

**REGISTRARS AND SHARE**  
**TRANSFER AGENTS**

- : Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai – 400072.  
Tel: 022-2847 0652, Fax: 022 – 2847 5207.



### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the members of the Company will be held on Monday, 10<sup>th</sup> day of September, 2007 at 11.00 A.M. at Sundraiah Vignana Kendram, 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500 044 to transact the following business

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 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 .B. Narayanswamy who retires by rotation and who 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, offer themselves for reappointment.

#### SPECIAL BUSINESS

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

“RESOLVED THAT Shri Y.R. Rao, who was appointed as an Additional Director of the Company with effect from 29.01.2007 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, whose period of office is liable to retirement by rotation.”

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

“RESOLVED THAT Shri R. Subramanian, who was appointed as an Additional Director of the Company with effect from 22.03.2007 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, whose period of office is liable to retirement by rotation.”

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

“RESOLVED THAT in modification of the resolution passed in the Annual General Meeting of the Company held on 28<sup>th</sup> July 2006 and pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant Provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves increase in the remuneration payable to Shri Sudhir Rao, Managing Director w.e.f. 1<sup>st</sup> July, 2007 for the balance period of tenure of his office as set out hereafter and with further liberty to the Board (which term shall be deemed to include the Remuneration Committee, constituted by the Board) from time to time to alter the said terms and conditions in such manner as may be agreed to between the Board and Shri Sudhir Rao, in the best interests of the Company, but subject to the restrictions, if any, contained in the Companies Act, 1956 and Schedule XIII to the said Act as amended up to date or otherwise as may be permissible at law :

- a) Salary : Rs.27,00,000/- (Rupees Twenty Seven Lakhs ) per annum
- b) Allowances : Rs.31,53,840/- (Rupees Thirty One Lakhs Fifty Three Thousand Eight Hundred and Forty Only) per annum
- c) Perquisites : Rs.1,46,160/- (Rupees One Lakh Forty Six Thousand One Hundred and Sixty Only) per annum
- d) The basic salary, allowances and perquisites shall be restricted to 5% of the Net profits  
“RESOLVED FURTHER THAT Subject to as aforesaid, Shri Sudhir Rao, Managing Director shall be governed by such other rules as are applicable to the Senior Executives of the Company from time to time”.



“RESOLVED FURTHER THAT So long as Shri Sudhir Rao, functions as Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof”.

“RESOLVED FURTHER THAT Where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the aforesaid remuneration and perquisites shall be paid to the Managing Director in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if any required”.

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

“RESOLVED THAT in supersession of the earlier resolution passed by the member of the Company at the Annual General Meeting held on 28<sup>th</sup> July 2006, the consent of the members of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) up to a limit not exceeding in the aggregate of Rs.500 Crores (Rupees Five Hundred Crores only) including Foreign borrowings like Foreign Currency Convertible Bonds, Foreign Currency Bonds etc. notwithstanding that moneys to be borrowed, together with the moneys already borrowed by the Company apart from temporary loans obtained from the Company's Bankers in the ordinary course of business will exceed the aggregate of the paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.”

8. **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 Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorized share capital of the Company be increased from Rs.40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.60,00,00,000/- (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each by further creation of 2,00,00,000/- (Two Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each”

“RESOLVED FURTHER 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.60,00,00,000/- (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs.10/- (Ten only) each payable in the manner as may be determined by the Directors from time to time, of the Company with power to increase or reduce the same from time to time subject to the provisions of the Companies Act, 1956”

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

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository receipt Mechanism) Scheme, 1993, the Operative Guidelines for Disinvestment of shares by Indian Companies in the Overseas Market through issue of ADRs/ GDRs as notified by the Government of India, Ministry of Finance, Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re- enactment thereof for the time being in force), and also provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed and subject to other approvals, consents, permissions and sanctions of the GOI, RBI, SEBI and all other appropriate and/or concerned authorities, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the company (“Board”) (which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), the consent of the members of the company be and is hereby accorded to the Board of Directors to issue, offer and



allot in international offerings any security including, Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into equity shares, foreign currency convertible bonds (FCCBs), warrants, convertible into depository receipts with underlying equity shares/equity shares (herein after referred to as "securities") for an aggregate sum of up to US\$50 million or equivalent in Indian/or any other currency (ies) with such premium as may be appropriate, directly to foreign/ non-resident investors (where the institutions, bodies-corporate, mutual funds, trusts, foreign institutional investors, banks and/or individuals or otherwise and whether or not such investors are members, promoters, directors or their relatives/associates, of the company) without first offering to the existing shareholders, through public issues, private placements or a combination thereof at such time or times in such tranche or tranches at such price or prices, at such premium as may be appropriate to market price or prices in such manner and on such terms and conditions as may be decided by the Board, wherever necessary in consultation with the lead managers, underwriters, advisors or through the subsidiaries, including by way of the initial public offer in Euro, US or other countries, so as to enable the Company to get listed at any stock exchanges in India and/or outside India".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may, in its absolute discretion deemed necessary or desirable and settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of securities."

"RESOLVED FURTHER THAT in the event of issue of securities in international offerings, including Global Depository Receipts (GDSRs) and/or American Depository Receipts (ADRs) convertible into equity shares, Foreign Currency Convertible Bonds (FCCBs), the relevant date for this purpose will be 11<sup>th</sup> August, 2007 as per the applicable legal provisions".

"RESOLVED FURTHER THAT the Board is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination or terms in accordance with the international practices."

"RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangements/ agreements with the lead managers /underwriters/ guarantors/ depository (ies)/ custodians/ advisors/ registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorized by the company may issue GDR/ADR/FCCB and/or other form of securities mentioned hereinabove or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets."

"RESOLVED FURTHER THAT the securities issued in international offering shall be deemed to have been issued abroad in the markets and/or at the place of issue of the securities in the international markets and shall be governed by English or American law as may be decided by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorize to finalise the mode and the terms of issue and allot such number of equity shares/securities as may be required to be issued and allotted upon conversion of any securities referred to in paragraph (s) above as may be necessary in accordance with the terms of offering and all such shares will rank *pari passu* with the existing equity shares of the company in all respect."

"RESOLVED FURTHER THAT the Board do open one or more bank accounts in the name of company, including escrow account, special purpose accounts etc., in Indian currency or foreign currency (ies) which such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/ offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any."

"RESOLVED FURTHER THAT such of this securities as are not subscribed, may be disposed of by the Board in its absolute discretion in such manner as the Board may deem fit."

"RESOLVED FURTHER THAT for the purpose aforesaid, 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



securities and utilization of proceeds, as it may in its absolute discretion deemed fit 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 the resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they deem fit."

**BY ORDER OF THE BOARD  
For BARTRONICS INDIA LIMITED**

**Place : Hyderabad  
Date : 30-07-2007**

**Sd/-  
SUDHIR RAO  
MANAGING DIRECTOR**

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES 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. Share Transfer books and Register of Members of the Company will remain closed during the period from 05-09-2007 to 06-09-2007 (both days inclusive)
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956 would be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the members at the Registered Office of the Company, Fourteen days before and Three days after, the date of the Annual General Meeting of the Company.
5. Members desiring any information on accounts are requested to write to the company at least seven days before the meeting so as to enable to company to keep the information ready and the Members/Proxies are requested to bring the Copies of the Annual Report to the Meeting and the same will not be distributed at the Meeting.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.

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

**ITEM No. 4**

Shri Y R Rao was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 29<sup>th</sup> January, 2007 and he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Shri Y R Rao for the office of Director under the provisions of Section 257 of the Companies Act, 1956, together with the requisite deposit.

Therefore, your Directors recommend the resolution for your approval.

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

**ITEM No.5**

Shri R. Subramanian was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 22<sup>nd</sup> March, 2007 and he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Shri R. Subramanian for the office of Director under the provisions of Section 257 of the Companies Act, 1956, together with the requisite deposit.

Therefore, your Directors recommend the resolution for your approval.



None of the Directors of the Company except Shri R. Subramanian is concerned or interested in the aforesaid resolution.

#### ITEM No.6

Considering the background, competence and experience of Shri Sudhir Rao, Managing Director of the Company under whose management the Company has performed well over the last few years. Further, Mr. Rao is spearheading the expansion plant to take the Company to new levels of growth. Comparing the remuneration packages of similarly placed personnel of corporate bodies in the country, the Board of Directors at its meeting held on 30<sup>th</sup> July, 2007, revised the remuneration of the Managing Director of the Company, as set out in the resolutions of the accompanying Notice for the remaining period of his appointment with effect from 1<sup>st</sup> July, 2007.

The existing tenure of his officer is from 21.08.2004 to 20.08.2009 for a period of five years.

The details of the existing remuneration and increased remuneration are as follows :

Existing Remuneration		Increased Remuneration	
Details	Amount per annum (Rs.)	Details	Amount per annum (Rs.)
Basic Salary	10,80,000	Basic Salary	27,00,000
Allowances	4,48,200	Allowances	31,53,840
Perquisites	7,42,440	Perquisites	1,46,160
<b>Total</b>	<b>22,70,640</b>	<b>Total</b>	<b>60,00,000</b>

Since the increase in the remuneration payable to Shri Sudhir Rao, Managing Director requires the approval of the members of the Company in General Meeting pursuant to Section 198, 309, 311 read with Schedule XIII to the Companies Act, 1956, the resolutions as set out in the accompanying notice are recommended for the approval of the members.

None of the Directors of the Company is interested in the above resolutions except Shri Sudhir Rao to the extent of the remuneration payable to him.

The terms and conditions of the increase in the remuneration as stated in the resolution of the Notice in respect of Shri Sudhir Rao, may be regarded as an abstract under Section 302 of the Companies Act, 1956.

#### ITEM NO: 7

The Board of Directors were authorized by a resolution passed at the Annual General Meeting held on 28<sup>th</sup> July 2006, to borrow monies up to a limit of Rs.250 Crores under Section 293(1)(d) of the Companies Act, 1956. In order to meet the increasing financial requirements of the Company it is felt necessary that the borrowing powers of the Board of Directors be increased from Rs.250 Crores to Rs. 500 Crores (Rupees Five Hundred Crores only). A fresh resolution under Section 293(1)(d) of the Companies Act, 1956 is therefore proposed as item No. 7 of the accompanying notice. The Board recommends the Resolution set out at Item No. 7 of the Notice for your approval.

None of the Directors are interested in the above resolution.

#### ITEM NO.8

At present the Authorized Share Capital of the Company stands at Rs.40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each

In order to cater to fund requirement for expansion of its activities in India and abroad and for general corporate purposes including acquisitions abroad, the Company is proposing to issue FCCBs and/or GDRs and/or ADRs for an aggregate sum up to US \$50 million or equivalent in Indian and/or any other currency(ies) and as the present Authorized Share Capital is not sufficient to meet the proposed issue of Share Capital, it is considered necessary to increase the present Authorized Share Capital from Rs.40 Crores to Rs.60 Crores, by further creation of 2,00,00,000 (Two Crores only) Equity shares of Rs.10/- (Rupees Ten only) each, which shall rank pari passu in all respects with the existing Equity Shares of the Company.



The proposed increase of Authorized Share Capital of the Company requires the approval of the members of the Company in the General Meeting. Consequent upon the increase in Authorized Share Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in Share Capital.

None of the Directors of the Company is concerned or interested in the above resolutions except to the extent of their holding of equity shares in the Company.

#### **ITEM No.9**

In order to cater to fund requirement for expansion of its activities in India including acquisitions abroad, the Company is proposing to issue FCCBs and/or GDRs and/or ADRs for an aggregate sum up to US\$50 million or equivalent in Indian and/or any other currency (ies). The Company feels that international listing of underlying shares would create to a wider public trading market for its equity securities and further International offering would enhance its visibility & brand name and enable the Company to use equity securities for future growth opportunities.

Considering the availability of funds at lower cost in the international market, it is considered prudent to raise capital from international markets through issue of securities viz., FCCBs and/or GDRs/ ADRs to foreign investors on a private placement basis or through a public offering.

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

The relevant date for the purpose of this issue will be 11<sup>th</sup> August, 2007 as per the applicable legal provisions.

Pursuant to Section 81 of the Companies Act, 1956 and the regulations relating to sponsored offerings of FCCBs and GDRs/ADRs framed under the Foreign Exchange Management Act, 1999, the above proposal require consent of the members by way of a special resolution. Accordingly, the resolution is proposed for the approval of shareholders in this regard and to authorize the Board to carry out various deeds and things for giving effect to this resolution.

The Board of Directors recommends the said special resolution for your approval.

None of the Directors of the Company is concerned or interested in the above resolutions except to the extent of their holding of equity shares in the Company.

#### **Additional information required to be furnished as per the Listing Agreement**

##### **Brief Profile of Shri Y.R. Rao, who was appointed as Additional Director of the Company eligible for appointment as Director**

Shri Y.R. Rao aged 59 years Engineer from USA has rich experience in IT and Telecommunication Networking. Having served for about 35 years in both the Industries with various Government departments, in areas like Project Development, Planning, Marketing and Project Implementation. He is at present serving as Advisor for Ministry of Shipping, Government of India on implementation of software and automation of Ports.

##### **Brief Profile of Shri R. Subramanian, who was appointed as Additional Director of the Company eligible for appointment as Director**

Shri R. Subramanian aged about 64 years, is a Fellow Member of Institute of Chartered Accountants and also Associate Member of other two professional Institutes. After putting a considerable service with various Industries in Senior levels for a period of 7 years, he has started own practice as Chartered Accountant at Chennai in the year 1973. His firm is empanelled with C & A.G. of India, R.B.I., I.R.D.A. and I.D.B.I. He is involved in Audits of various Industries from Public Sectors like Coal India to Nuclear Power Corporation etc.

**BY ORDER OF THE BOARD  
For BARTRONICS INDIA LIMITED**

Sd/-

**SUDHIR RAO  
MANAGING DIRECTOR**

**Place : Hyderabad  
Date : 30-07-2007**



## DIRECTORS' REPORT

### To the Members

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2007 comprising of twelve (12) months from 01-04-2006 to 31-03-2007.

### Financial Results

Your Directors do hereby report that your Company has achieved a total income of Rs.64.44 Crores during the financial year under review as against a total income of Rs.29.47 Crores during the previous financial year.

(Rs. In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2007	Previous year ended 31 <sup>st</sup> March, 2006
Total Income	6444.06	2947.40
Total Expenses other than Interest	4832.69	2260.02
Interest	134.31	76.52
Total Expenses	4967.00	2336.54
Profit Before Tax	1477.06	610.86
Provision for Tax	131.50	77.00
Profit After Tax	1345.56	533.85
Add: Profit brought Forward from last year	728.46	194.60
Profit Available for Appropriation	2074.02	728.46

### Allotment of 46,30,000 Convertible Warrants of Rs.10/- each at a price of Rs.130/- per warrant to the Promoters / Non Promoters of the Company

The Company in the Extra-Ordinary General Meeting held on 29.01.2007 has taken the approval of shareholders to issue 46,30,000 Convertible Warrants of Rs. 10/- each at a price of Rs. 130/- per warrant to the existing members of the Company and/or Promoters or Promoters Group members and/or non-promoters and/or Strategic Investors and/or Financial Institutions/Banks whether resident in India or non-resident Indians, Overseas Corporate Bodies (OCBs), Mutual Funds, Debenture Holders, Employees, Foreign Institutional Investors (FIIs), Companies, other entities/authorities on preferential basis, in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000, for the purpose of expansion project of the Company relating to Manufactures of Smart Cards and RFID related Products.

Accordingly, the Company allotted 46,30,000 convertible warrants to the promoters / non promoters on 08.03.2007. These warrants are compulsorily convertible into equity shares within a period of eighteen months from the date of allotment i.e. 8<sup>th</sup> March 2007.

### The Statement of utilization of proceeds of 46,30,000 Convertible Warrants :

#### 1. Nature of Issue

Issue of 46,30,000 Convertible Warrants of Rs. 10/- each at a price of Rs. 130/- per warrant to the existing members of the Company and / or Promoters or Promoter Group members and/or non-promoters on preferential basis.

#### 2. Size of the Issue

46,30,000 Convertible Warrants

#### 3. Aggregate amount of the Issue

Rs. 60.19 Crores

#### 4. Objects of the Issue

For the purpose of expansion Project of the Company relating to manufacture of Smart Cards and RFID related products.

#### 5. Utilization of the Issue :

Funds have been utilized for the envisaged project. The production is commenced during the current financial year.



### **Qualified Institutional Placement (QIP)**

The Company in the Extra-Ordinary General Meeting held on 29.01.2007 has obtained the approval of shareholders, for the placement of 32,50,000 equity shares of the company of face value of Rs.10 each at a SEBI determined price of Rs.110 per share, to Qualified Institutional Buyers, in accordance with the Guidelines for Qualified Institutions Placement contained in Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines 2000, for funding the proposed execution of the expansion project of the Company relating to Manufacture of Smart Cards and RFID related Products. Accordingly, the Company allotted 32,50,000 Equity Shares to the qualified Institutions Buyers on 02.03.2007.

### **The Statement of utilization of proceeds of 32,50,000 Equity Shares to Qualified Institutional Buyers :**

#### **1. Nature of Issue**

The placement of 32,50,000 equity shares of the Company of face value of Rs. 10/- each at a price of Rs. 110/- to Qualified Institutional Buyers, in accordance with the Guidelines for Qualified Institutions Placement .

#### **2. Size of the Issue**

32,50,000 equity shares

#### **3. Aggregate amount of the Issue**

Rs. 35.75 Crores

#### **4. Objects of the Issue**

For funding the proposed execution of the expansion project of the Company relating to Manufacture of Smart Cards and RFID related Products.

#### **5. Utilization of the Issue :**

Funds have been utilized for the envisaged project. The production is commenced during the current financial year.

### **Employees Stock Option Scheme (ESOS)**

The Company in the Extra-Ordinary General Meeting held on 29.01.2007 has taken the approval of shareholders to implement the Employees, Stock Option Scheme called ESOS-2007, in order to give employees who are performing well, a certain minimum opportunity to gain from the company's performance thereby acting as a retention tool, in accordance with clause 6 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and the said scheme has already been implemented as per the provisions contained in the above special resolution, with the grant of options under the scheme.

Details about BARTRONICS INDIA LIMITED Employees Stock Option Scheme called ESOS- 2007 (BILESOS, 2007) Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme), Guidelines, 1999, the details of stock options as on 31<sup>st</sup> March, 2007 under the BARTRONICS INDIA LIMITED Employee Stock Options Scheme called ESOS- 2007 are as under:

Sl.No	Description	Details
1	Options Granted	8,00,000
2	Pricing formula	The Exercise price for the purpose of exercise of options, shall be Rs.10/- per Share, i.e., the shares shall be offered at par to the Employees of the Company
3	Options Vested	Not applicable as on date
4	Options exercised	Not applicable as on date



Sl.No	Description	Details
5	The total number of shares arising as a result of exercise of option	Not applicable as on date
6	Options lapsed	Not applicable as on date
7	Variation of terms of options	The terms of options were not varied in the Financial year 2006-07
8	Money realized by exercise of options	Not applicable as on date
9	Total number of options in force (Total options available for grant:8,00,000 and Total Options granted is 8,00,000)	8,00,000
10	Employee wise details of options granted to i) Senior Management personnel ii) Any other employee who receives a grant in any one year of option amounting to 5% of or more of option granted during that year iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding out standing warrants and conversions) of the company at the time of grant.	Shri Sudhir Rao, Managing Director Not applicable as on date  Not applicable as on date
11	Diluted Earning Per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS)20 Earning Per share	6.64
12	The difference between the employee compensation costs computed under intrinsic value method and the employee compensation cost that shall have been recognized if the Company had used the Fair Value methods and its impact on profits and EPS of the Company.	The employee compensation cost on account of ESOP in the financial year 2006-07 based on Intrinsic value method is Rs. 9.55 Crore . Had the company used the Fair value method, the ESOP cost in the financial year 2006-07 would have been Rs. 10.35 Crores There would not have been any adverse effect on the profit and EPS of the Company, if Fair Market value method of accounting was adopted instead of intrinsic value.
13	Weighted Average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable as on date
14	Description of the method and significant assumptions used during the year to estimate the fair value of options. i. Risk-free interest rate ii. Expected life iii. Expected Volatility iv Expected dividends v. The price of the underlying share in market at the time of option grant	The Company has opted intrinsic Value method for accounting of Compensation Cost arising out of ESOP. The Company has not made any assumptions.