

# **Baron Infotech Limited**



*12<sup>th</sup>*  
**ANNUAL REPORT**  
2008-09

## Board of Directors

Sri. N. V Rama Raju : Managing Director  
Sri. N.Srinivasa Raju : Whole Time Director  
Sri. K.Rama Krishna Raju : Whole Time Director  
Sri K.Manohara Raju : Director  
Sri A.Chandra Sekhar : Director  
Sri K.V.Narasimha Raju : Director

**Registered Office** : Micasa Flora  
Komapally  
Hyderabad 500 014

**Auditors** : M/s M Vasudevan & Co.  
Chartered Accountants

**Bankers** : Axis Bank  
Banjara Hills Branch  
Hyderabad

**Share Transfer Agent** : M/s Venture Capital Corporates Investments Ltd  
6-2-913/914,3<sup>rd</sup> Floor,Progressive Towers,  
Khairatabad,Hyderabad – 4

**Shares Listed At** : Hyderabad Stock Exchange td  
Mumbai Stock Exchange

## NOTICE

**NOTICE** is hereby given that 12<sup>th</sup> Annual General Meeting of the members of **Baron Infotech Limited** will be held at Golonda Garden Function Hall, Attapur X Roads, Rajendra Nagar, Hyderabad-500028 on Tuesday the 29<sup>th</sup> day of December 2009 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30<sup>th</sup> June 2009 and Balance Sheet as at that date and the Directors' and Auditors' Report hereon.
2. To appoint a Director in place of Mr. K V N Raju, who retires by rotation and being eligible offers himself for re appointment.
3. To appoint a Director in place of Mr. K Manohar Raju, who retires by rotation and being eligible offers himself for re appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting of the Company and to fix their remuneration. To consider and if thought fit to pass with or without modification the following ordinary resolution.

"Resolved that M/s. Mahadeven & Co., Chartered Accountants, be and are hereby appointed as auditors of the company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of directors and of out of pocket expenses actually incurred by them in connection with the audit".

By order of the Board

For BARON INFOETECH LIMITED

Place:Hyderabad

Date: 1.12.2009

SD/  
**( N.V.Rama Raju )**  
Managing Director

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and such proxy or proxies need not be a member or members of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. The instrument of proxies to be effective must be lodged at the Registered Office of the Company at least 48 hours before the meeting.

## DIRECTORS' REPORT

Your Directors take pleasure in presenting Twelfth Annual Report together with the Audited Statements of Accounts for the year ended 30th June 2009.

### OPERATIONS

Your company has been generating revenues by imparting software training and sale of the software developed.

### DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K V N Raju & Mr K Manohar Raju will be retiring by rotation at the Annual General meeting and are eligible for reappointment.

### AUDITORS

M/s. Mahadevan & Co, Chartered Accountants retire at the conclusion of this Annual General Meeting and are eligible for reappointment. Members are requested to appoint auditors and fix their remuneration.

### PARTICULARS OF EMPLOYEES

There are no employees falling within the purview of the Section 217(2A) of the Companies Act, 1956 read with Company's (Particulars of Employees) Rules, 1975.

### FIXED DEPOSITS

The company has not accepted any Fixed Deposits during the year under review.

### DIRECTORS RESPONSIBILITY STATEMENT

As per the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors state:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors have prepared the accounts on a going concern basis.

## CORPORATE GOVERNANCE

A report of compliance of Corporate Governance is annexed together with a Certificate from the auditors of the company on compliance.

## ADDITIONAL INFORMATION

Additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the companies Act, 1956 read with the Companies (disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is as follows:

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 for the year ended 30 June, 2009.

**A. CONSERVATION OF ENERGY :** As there are no operations, it does not arise

**B. TECHNOLOGY ABSORPTION:**

Research & Development (R&D):

1. Specific areas in which R& D carried out by the Company: Nil
2. Benefits derived as a result of the R& D : Not Applicable
3. Expenditure on R & D : Nil

**C. Foreign Exchange Earnings & outgo: Nil**

## LISTING OF SECURITIES

The Company's equity shares are listed on Bombay Stock Exchange Ltd, Mumbai & The Hyderabad Stock Exchange Limited

## ACKNOWLEDGEMENTS

The Board of Directors of the Company take this opportunity to place on record their appreciation of the cooperation and support extended by shareholders, employees at all levels for their contribution and support.

For and on behalf of the Board

Place: Hyderabad  
Date:01.12.2009

SD/-  
N V Rama Raju  
Managing Director

SD/-  
K V N Raju  
Director

## CORPORATE GOVERNANCE:

### BOARD OF DIRECTORS:

Composition of Directors and their Attendances at the Board Meetings during the year and the last Annual General Meeting and outside Directorships are as follows:

Director	No. of Board Meetings attended	Attendance at the Previous AGM	No. of outside Directorship held	Executive/ Non Executive/ independent
Mr. N.V Rama Raju	5	Yes	NIL	Managing Director
Mr.K V N Raju	5	Yes	NIL	Independent
Mr.K Manohara Raju	5	Yes	NIL	Whole time Director
Mr.K Rama Krishna Raju	5	Yes	NIL	Independent
Mr.A Chandra Sekar	5	Yes	NIL	Independent
Mr. N Srinivasa Raju	5	Yes	NIL	Whole time Director

### BOARD COMMITTEES:

#### **Audit Committee:**

The Audit Committee comprises of two independent Directors and one Non- Executive Director. The Audit Committee met four times during the year. The terms of reference of the Audit Committee mandated by your Board of Directors, which are also in line with the Statutory and regulatory requirements. Are;

- a) Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payments of any other services.
- c) Reviewing with management the annual financial statements before submission to the Board.
- d) Reviewing with management, external and internal auditors, the adequacy of internal control system.
- e) Reviewing the adequacy of internal audit reporting structure, coverage and frequency of internal audit.
- f) Discussions with internal auditors on any significant findings and follow-up thereon;
- g) Reviewing the findings of nay internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board:
- h) Discussion with external auditors before the audit commences nature and scope of audit as well as has post audit discussions to ascertain any area of concern.

- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

**Remuneration of Directors:**

During the year under review no remuneration was paid to any whole time or non whole time directors

**Shareholders' Grievances Committee:**

The Shareholders/ investors grievance committee consists of

Mr. K Manohara Raju	Chairman
Mr. N.V.Rama Raju	Member
Mr. K.V.N Raju	Member

The Share Transfer Committee looks into share transfers, complaints/grievances of the shareholders on regular basis. Two complaints are pending to be resolved as on the date of AGM.

**Disclosures:** During the period, there are no related party transactions.

General Shareholder information:

- a. Date Time Venue of the 12th Annual General Meeting
  - Date of AGM : 29th December 2009
  - Time : 11.00am
  - Venue : Golconda Garden Function Hall, Attapur X Roads,  
Rajendra Nagar, Hyderabad- 500028
- b. The Financial Year of the Company is from 1st July 2008-30th June 2009
- c. The shares of the Company are listed on
  - i. Hyderabad Stock Exchange
  - ii. Bombay Stock Exchange
- d. The details of the scrip of the company are:
  - Stock Code: Scrip code 532336
  - Trading Symbol: BARONINFOTE

## CERTIFICATE

To

The Members of  
Baron Infotech Limited

We have examined the compliance of conditions of corporate governance by Baron Infotech Limited, for the period ended on **30<sup>th</sup> June 2009**, as stipulated in Clause 49 of Listing Agreement of the said Company with the Stock Exchange (s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us:

1. We certify that the Company has not complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
2. We state that no investor grievance is pending for a period exceeding one month as on **30<sup>th</sup> June 2009** against the Company as per the records maintained by the shareholders / Investors Grievance Committee.
3. We 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 MAHADEVAN & Co  
Chartered Accountants

Place:Hyderabad  
Date:01-12-2009

Sd/-

**A.VASUDEVAN**  
Partner  
M.No 03216



**AUDITORS' REPORT**

To  
**The Members of BARON INFOTECH LIMITED,**  
Hyderabad.

- 1) We have audited the attached Balance Sheet of Baron InfoTech Limited as at **30<sup>th</sup> JUNE 2009** and also the Profit and Loss Account for the Year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
  - c. The Balance Sheet and Profit and loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Profit & Loss A/c and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors as on JUNE 30, 2009 and taken on record by the Board of Directors, We report that none of the directors is disqualified as on JUNE 30, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the schedules annexed therewith give the information required by the Act, and also give a true and fair view, and in conformity with the accounting principles generally accepted in India.
    - In the case of the Balance Sheet, of the state of affairs of the Companies as at 30TH JUNE, 2009; and
    - In the case of the Profit and Loss Account, of the PROFIT for the Year ended on that date.

Place:Hyderabad  
Date:01-12-2009

For MAHADEVAN & CO.,  
Chartered Accountants

**Sd/-**  
**A.VASUDEVAN**  
Partner  
Membership.No.03216

## Annexure to the Auditor's Report

### Annexure referred to in paragraph 3 of the report of the report of even date:-

1.
  - a. The Company is in the process of updating details in fixed asset register and the records to show full particulars including quantitative details and situation of fixed assets.
  - b. As per the information and explanations given to us, there is a phased programme of physical verification of fixed assets adopted by the Company and material discrepancies if any will be accounted based on the updation of fixed asset register. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.
  - c. In our opinion, a substantial part of the fixed assets have not been disposed of by the company during the year.
2. During the period the company has not dealt with inventory consequently clause (a), (b) and (c) of paragraph 2 are not applicable to the company.
3. The company has neither advanced nor accepted any loans to / from the companies, firms or other parties listed in the register maintained under section 301 of the companies act, 1956. Hence the clause 3.a to 3.f of the order are not applicable to the company
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of computer hardware and software, consumables, plant and machinery, equipment and other assets and sale of services. Further on the basis of our examination of the books and records of the company, and according to the information explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the internal control system.
5. Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that during the year,
  - a) There are no transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956.
  - b) The company has not made any transactions with the parties listed in the register maintained under section 301 of the companies act,1956. Hence (v) (b) of paragraph 4 of the order is not applicable.
6. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the Public under section 58A and 58AA of the Companies Act, 1956 and rules there under are not applicable to the company.
7. The company's internal audit system needs to be strengthened commensurate with its size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.

- 9.
- a. i. According to the information and explanations given to us, during the year, there are no undisputed statutory dues including provident fund, investor education and protection fund, Employee state insurance, income tax, wealth tax, customs duty, excise duty, cess and other statutory dues except for the following
- |                     |     |          |
|---------------------|-----|----------|
| a) Professional tax | Rs. | 20,004   |
| b) TDS-Salaries     | Rs. | 62,800   |
| c) TDS-Others       | Rs. | 3,18,210 |
- b. According to the information and explanations given to us, there are no dues of provident fund, investor education and protection fund, Employee state insurance, income tax, wealth tax, customs duty, excise duty, cess and other statutory dues which have not been deposited on account of any dispute.
10. The company has accumulated losses at the end of the year. The accumulated losses are more than fifty percent of the net worth of the company. The company hasn't incurred cash loss during the current financial year and immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by management we are of opinion that the company has not borrowed any amounts from banks or financial institutions.
12. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the companies (Auditors Report) order 2003 are not applicable to the company.
14. In our opinion the company is not dealing in or trading in shares securities, debentures and other investments, accordingly the provisions of clause 4(xiv) of the companies (Auditors Report) order 2003 are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
16. During the year no term loans were raised by the company hence this clause is not applicable.
17. According to information & explanations given to us and an overall examination of the books we report that no short term funds have been used during the year for long term purposes.
18. During the year the company has not made any preferential allotment. Consequently clause xviii is not applicable to the company.
19. According to the information and explanations given to us and the records examined by us no debentures were issued by the company and therefore the provisions of clause 4(xix) of the companies( Auditors Report ) order 2003 are not applicable to the company.
20. During the year the company has not raised by any money through public issue and hence the question of disclosure and verification of end use of such money doesn't arise.
21. According to the information and explanations given to us and the records examined by us no fraud on or by the company was noticed or reported during the year.

PlaceHyderabad  
Date:01-12-2009

For MAHADEVAN & CO.,  
Chartered Accountants  
Sd/-  
**A.VASUDEVAN**  
Partner  
M.No.03216

<b>BARON INFOTECH LIMITED</b>			
Plot No.35, Journalist Colony, Rd.No.3, Banjara Hills, Hyderabad - 34			
<b>BALANCE SHEET</b>		As at <b>30.06.2009</b>	
<b>PARTICULARS</b>	<b>SCH.No.</b>	<b>As at 30.06.2009</b>	<b>As at 30.06.2008</b>
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
Share Capital	1	<b>102,000,000</b>	102,000,000
<b>TOTAL Rs.</b>		<b>102,000,000</b>	102,000,000
<b>APPLICATION OF FUNDS</b>			
Fixed assets			
Gross Block	2	<b>26,284,541</b>	26,284,541
Less: Depreciation		<b>24,398,201</b>	23,944,775
Net block		<b>1,886,340</b>	2,339,766
Advance for Capital works	2	<b>9,250,000</b>	9,250,000
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	3	<b>2,282,552</b>	1,682,552
Cash & Bank Balances	4	<b>161,359</b>	339,545
Loans & Advances	5	<b>19,656,927</b>	19,656,927
		<b>22,100,838</b>	21,679,024
Less: Current Liabilities & Pvisions			
a.Current Liabilities	6	<b>839,281</b>	881,781
<b>Net Current Assets</b>		<b>21,261,557</b>	20,797,243
Profit & Loss Account		<b>69,602,102</b>	69,612,991
<b>TOTAL Rs.</b>		<b>102,000,000</b>	102,000,000
Notes forming part of accounts			
As per our Report of Even Date		9	
For MAHADEVAN & Co.,		For and on behalf of the Board of Directors	
Chartered Accountants,			
<b>Sd/-</b>		<b>Sd/-</b>	
<b>(A.VASUDEVAN)</b>		<b>(N.V.RAMA RAJU)</b>	
Partner		Managing Director	
Membership No.03216		<b>Sd/-</b>	
Place : Hyderabad		<b>(K.V.N.RAJU)</b>	
Date : 01-12-2009		Director	

<b>BARON INFOTECH LIMITED</b>			
Plot No.35, Journalist Colony, Rd.No.3, Banjara Hills, Hyderabad - 34			
<b>PROFIT &amp; LOSS ACCOUNT FOR THE Year ENDED</b>		<b>As at 30.06.2009</b>	
<b>PARTICULARS</b>	<b>SCH NO</b>	<b>For the year ending 30.06.2009</b>	<b>For the year ending 30.06.2008</b>
<b>INCOME</b>			
Fees from Training in Software		392,500	1,090,000
Sale of software		600,000	-
Other income- Cr Balances Written back		-	716,770
<b>TOTAL Rs.</b>		<b>992,500</b>	<b>1,806,770</b>
<b>EXPENDITURE</b>			
Staff & Traniners Cost	7	301,000	1,114,400
Admn. & Other Exp	8	227,186	260,131
Depreciation		453,425	593,878
<b>TOTAL Rs.</b>		<b>981,611</b>	<b>1,968,409</b>
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>10,889</b>	<b>(161,639)</b>
Less: Prior period items		-	-
Profit after prior period items		10,889	(161,639)
Add Loss Brought forward from previous year		(69,612,991)	(69,451,353)
Balance Carried Forward To Balance Sheet		(69,602,102)	(69,612,991)
EPS Basic & Diluted ( Rs.10 /- Face Value)		<b>0.0011</b>	<b>(0.0158)</b>
Notes forming part of accounts	9		
As per our Report of Even Date			
For MAHADEVAN & Co.,		For and on behalf of the Board of Directors	
Chartered Accountants,			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>(A.VASUDEVAN)</b>		<b>(N.V.RAMA RAJU)</b>	<b>(K.V.N.RAJU)</b>
Partner		Managing Director	Director
Membership No.03216			
Place : Hyderabad			
Date : 01-12-2009			

<b>BARON INFOTECH LIMITED</b>			
<b>Plot No.35, Journalist Colony, Rd.No.3, Banjara Hills, Hyderabad - 34</b>			
<b>SCHEDULES to Balance Sheet</b>			
<b>(Amount in Rs.)</b>			
<b>PARTICULARS</b>	<b>SCH NO</b>	<b>As at 30.06.2009</b>	<b>As at 30.06.2008</b>
<b>Share Capital</b>			
<b>Authorised Capital</b>	<b>1</b>	<b>110,000,000</b>	110,000,000
1,10,00,000 Equity shares of Rs. 10/- each (Previous year 1,10,00,000 Equity Shares of Rs.10/- each)			
<b>Issued, Subscribed &amp; Paid up Capital</b>			
1,02,00,000 Equity share of Rs.10/- each fully paid up (Previous year 1,02,00,000 Equity Shares of Rs.10/- each)		<b>102,000,000</b>	102,000,000
<b>TOTAL</b>		<b>102,000,000</b>	102,000,000
<b>Sundry Debtors</b>	<b>3</b>		
Unsecured and considered good			
a outstanding more than Six months		<b>1,682,552</b>	1,682,552
Other debts		<b>600,000</b>	-
		<b>2,282,552</b>	<b>1,682,552</b>
b Considered doubtful			
Debts outstanding more than six months		<b>18,683,202</b>	18,683,202
Less: Provision for bad & doubtful debts		<b>18,683,202</b>	18,683,202
		-	-
<b>TOTAL Rs.</b>		<b>2,282,552</b>	<b>1,682,552</b>
<b>Cash &amp; Bank Balances</b>	<b>4</b>		
Cash		<b>143,396</b>	337,396
Balances with Scheduled Banks in Current Accounts		<b>17,963</b>	2,149
<b>TOTAL Rs.</b>		<b>161,359</b>	<b>339,545</b>
<b>Loans &amp; Advances (unsecured and considered good) (Recoverable in cash or in kind or for value to be received )</b>	<b>5</b>		
Advances		<b>17,985,512</b>	17,985,512
Deposits		<b>610,000</b>	610,000
Pre-Paid Taxes		<b>1,061,415</b>	1,061,415
<b>TOTAL</b>		<b>19,656,927</b>	<b>19,656,927</b>
<b>Current Liabilities &amp; Provisions</b>	<b>6</b>		
a <b>Current liabilities:</b>			
Outstanding Expenses		<b>354,721</b>	397,221
Share Application Money (Pending for refund)		<b>83,546</b>	83,546
Statutory dues payable		<b>401,014</b>	401,014
Other Current Liabilities		-	-
<b>TOTAL</b>		<b>839,281</b>	<b>881,781</b>

BARON INFOTECH LIMITED									
Plot No.35, Journalist Colony, Rd.No.3, Banjara Hills, Hyderabad - 34									
SCHEDULE 2									
PARTICULARS									
GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
1	2	3	4	5	6	7	8	9	
SL. NO.	DESCRIPTION	AS AT 01.07.08	AS AT 30.06.09	UPTO 30.06.08	FOR THE PERIOD	UP TO 30.06.09	AS AT 30.06.09	AS AT 30.06.08	
1	FURNITURE	5,765,350	5,765,350	4,568,436	216,641	4,785,077	980,272	1,196,914	
2	OFFICE EQUIPMENT	2,357,985	2,357,985	1,668,550	95,761	1,765,311	592,674	688,435	
3	COMPUTERS	16,288,322	16,288,322	16,051,853	94,588	16,146,440	141,882	236,470	
4	VEHICLES	1,598,134	1,598,134	1,463,588	34,834	1,498,422	99,712	134,546	
5	AIR CONDITIONERS	274,750	274,750	191,349	11,601	202,950	71,800	83,401	
	<b>TOTAL</b>	<b>26,284,541</b>	<b>26,284,541</b>	<b>23,350,898</b>	<b>453,425</b>	<b>24,398,201</b>	<b>1,886,340</b>	<b>2,339,766</b>	
	Previous year	26,284,541	26,284,541	23,350,898	593,878	23,944,775	2,339,766	2,933,644	
	Advance for Capital works	9,250,000	9,250,000	-	-	-	9,250,000	9,250,000	

<b>BARON INFOTECH LIMITED</b>			
<b>Plot No.35, Journalist Colony, Rd.No.3, Banjara Hills, Hyderabad - 34</b>			
<b>SCHEDULES to Profit &amp; Loss A/c</b>			
<b>PARTICULARS</b>	<b>SCH</b>	<b>For the year ending 30.06.2009</b>	<b>for the year ending 30.06.2008</b>
<b>Staff Costs</b>	<b>7</b>		
Payment to trainers		<b>295,000</b>	1,073,500
Staff Welfare		<b>6,000</b>	40,900
<b>TOTAL Rs.</b>		<b>301,000</b>	<b>1,114,400</b>
<b>Administrative &amp; Selling Expenses</b>	<b>8</b>		
Rent		<b>72,500</b>	138,126
AGM Expenses		<b>20,000</b>	20,550
Share Transfer Expenses		<b>50,000</b>	28,090
Auditors Remuneration - Statutory Audit		<b>20,000</b>	20,000
Bank Charges		<b>6,686</b>	2,635
Office Maintenance		<b>24,500</b>	38,100
Consultancy & Other Expenses		<b>3,500</b>	3,500
Debit balances written off		-	9,130
Lisitng fee		<b>30,000</b>	-
<b>TOTAL Rs.</b>			<b>260,131</b>



## SCHEDULE 9

Significant Accounting Policies and Notes on Accounts forming part of the Accounts for the period ended 30<sup>th</sup> June, 2009.

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.

All income and expenditure items having material bearing on the financial statements are recognized on accrual basis.

#### **2. Revenue Recognition**

Revenue from Software Services is recognized based on milestones reached as per the terms of the contract.

Revenue from Training services is recognized based on registration of members and commencement of batches.

#### **3. Fixed Assets**

Fixed assets are stated at actual cost of Acquisition. Cost of acquisition is inclusive of freight, duties, taxes installation expenses and other incidental expenses.

#### **4. Depreciation**

Depreciation on fixed assets has been provided on pro-rata basis on W. D V method as per the rates provided in the schedule XIV to the Companies Act, 1956. Individual assets acquired for less than Rs.5000/- are entirely depreciated in the year of acquisition.

#### **5. Impairment of assets**

Impairment is ascertained at each balance sheet date in respect of the company's fixed assets . An impairment loss shall be recognized whenever the carrying amount of an asset exceeds its recoverable amount.

## 6. Taxes on Income

Deferred tax arising out of timing difference of income tax relating to unabsorbed depreciation and unabsorbed losses has not been recognized keeping in view the reasonable certainty about the operations of the company in the near future.

## 7. Earnings per Share (EPS)

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share is the aggregate of the weighted average number of equity shares outstanding and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive equity shares into equity shares. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date during the year.

## 8. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Assets and Liabilities, receivable / payable in foreign currency are shown at the exchange rate prevailing on the date of the Balance Sheet complying Accounting Standard 11 issued by ICAI.

## 9. Employee benefits

- i. Short term benefits are charged to revenue.
- ii. There is no liability provided for Gratuity, as none of the employees are eligible for Gratuity as per payment of Gratuity Act.
- iii. There is no liability provided in respect of leave encashment, as none of the employees have credit of earned leave.

## 10. Segment Reporting

The companies operations fall within a single primary business segment, hence the disclosure requirements of AS 17 segment reporting issued by ICAI are not applicable.

### **B. NOTES TO ACCOUNTS**

1. Debit & Credit balances in sundry debtors, loans & advances and creditors are subject to confirmation.

### **2. Current Liabilities**

Dues to Micro and Small Enterprises – Nil previous year – NIL

### **3. Foreign Exchange Inflow/Outflow**

During the year company entered into an agreement with foreign company related to software. Based upon the agreement only the company has recognized a portion of revenue.

### 1. Related Party Transactions

The following persons are directors/ related parties in the company.

N.V.Rama Raju	--	Managing Director.
N.Srinivasa Raju	--	Director.
K.V.Narasimha Raju	--	Director.
A.Chandrasekhar	--	Director.
K.Manohar Raju	--	Director.
K.Ramakrishna Raju	--	Director.

During the Year there are no related party transactions.

### 2. Basic / Diluted Earnings Price Share

i. Net Profit attributable to equity share holders	Rs.	10889.00
ii. Weighted average no.of equity shares		102,00,000
iii. Earnings Per share ( i / ii.a)	Rs.	0.0011
iv. Nominal value per share	Rs.	10.00

### 3. Deferred Taxation

Deferred tax will be accounted based on the virtual certainty on the profit earning capacity of the company.

### 4. Contingent Liabilities

Contingent liabilities as at end of the year – Nil . Previous Year – Nil.

### 5. Quantitative Details

During the company has not dealt with any material / goods hence particulars to be given such as quantitative details of sales and the information as required under paragraph 3, 4c, and 4d of part II of Schedule VI to the Companies Act, 1956 may be treated as NIL.

### 3. General

Previous year figures in respect of Balance Sheet and Profit & Loss Account have been rearranged, regrouped, reclassified and recast wherever necessary to conform to current year's classification

As per our report of even date

By Order of the Board

FOR MAHADEVAN & CO  
Chartered Accountants  
Sd/-

For and on behalf of Board of Directors

Sd/-

Sd/-

A.VASUDEVAN  
Partner  
Membership.No.03216

N.V.RAMA RAJU  
Managing Director

K.V.N.RAJU  
Director

Place : Hyderabad  
Date : 01-12-2009

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED</b>		<b>As at 30.06.2009</b>	
	<b>As at 30.06.2009</b>	<b>As at 30.06.2008</b>	
<b>CASH FROM OPERATING ACTIVITIES</b>			
Net profit ( Loss)	10,889	(161,639)	
Adjustments for			
Depreciation	453,425	593,878	
Bad Debts/Advances/ Balances Written off etc	-		
Adjustments of Secured over draft with int receivable	-		
Adjustments of Debit / Credit Balances	-	-	
Miscellaneous Exp - Amortised	-	-	
	<u>453,425</u>	<u>593,878</u>	
<b>Operating profit before working capital changes</b>	<b>464,314</b>	<b>432,239</b>	
Adjustments for			
Inventories			
Deferred revenue expenditure	-	-	
Increase in debtors	(600,000)		
Loans, Advances and Other Current Assets Adj	-	(17,985,512)	
Current Liabilities	(42,500)	(1,091,374)	
	<u>(642,500)</u>	<u>(19,076,886)</u>	
<b>Cash Generated from operations</b>	<b>(178,186)</b>	<b>(18,644,646)</b>	
Income tax refund received / (Paid)	-	-	
<b>Net Cash From Operating Activities</b>	<b>(178,186)</b>	<b>(18,644,646)</b>	
<b>CASH FROM INVESTING ACTIVITIES</b>			
Purchase of Assets			
Proceeds from Sale of assets			
<b>Net Cash From Investing Activities</b>	<b>-</b>	<b>-</b>	
	<u>(178,186)</u>	<u>(18,644,646)</u>	
<b>CASH FROM FINANCING ACTIVITIES</b>			
Interest on Term Loans and Others			
Repayment of long term borrowings	-	-	
Repayment of Short term borrowings	-	-	
Repayment of Short term borrowings			
<b>Net Cash From ( Used in )/ Financing Activities</b>	<b>-</b>	<b>-</b>	
	<u>-</u>	<u>-</u>	
Net Increase/ Decrease in Cash and Cash Equivalents	<u>(178,186)</u>	<u>(18,644,646)</u>	
Cash and Cash Equivalents - Opening balance	339,546	18,984,192	
Cash and Cash Equivalents - Closing balance	161,360	339,546	
<p>The above CFS has been prepared under the "Indirect method as set out in the accounting standard -3 on cash flow statements issued by the ICAI As per our Report of Even Date For MAHADEVAN &amp; Co., Chartered Accountants,</p>			
<p><b>Sd/-</b> <b>(A.VASUDEVAN)</b> Partner Membership No.03216</p>		<p><b>Sd/-</b> <b>(N.V.RAMA RAJU)</b> Managing Director</p>	
<p><b>Sd/-</b> <b>(K.V.N.RAJU)</b> Director</p>			
<p>Place : Hyderabad Date : 01-12-2009</p>			



**BARON INFOTECH LIMITED  
FOURTH ANNUAL GENERAL MEETING (ADJOURNED)  
Regd.Off: Plot # 35,Journalist Colony Road # 3, Banjara Hills,Hyderabad-500 034.**

**PROXY FORM**

Regd. Folio No.....

I/We.....of .....in the district of ..... being a member/member of.....in the district of .....or failing him.....on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 29<sup>th</sup> December, 2009 at 11.00 A.M at **Golconda Garden Function Hall, Attapur X Roads,Rajendra Nagar, Hyderabad-500028** and at any adjournment thereof.

Signed this.....day of.....2009

Affix  
Rs.1/-  
Revenue  
Stamp

**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.

**BARON INFOTECH LIMITED  
FOURTH ANNUAL GENERAL MEETING (ADJOURNED)  
Regd.Off: Plot # 35,Journalist Colony Road # 3, Banjara Hills,Hyderabad-500 034.**

**ATTENDANCE SLIP**

12th Annual General Meeting 29th December, 2009 Reg.Folio No.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 12th Annual General Meeting of the Company to be held on Tuesday, the 29th December, 2009 at 11.00 A.M at Golconda Garden Function Hall, Attapur X Roads,Rajendra Nagar, Hyderabad - 500028.

Member's/Proxy'sName  
(in block letters)

Member's/Proxy's Signature

**Note:** Please fill in this attendance slip and hand it over at the entrance of the hall.