

# **Baron Infotech Limited**



**17<sup>th</sup>**

**ANNUAL REPORT**

**2013-14**





**Board of Directors**

<b>Sri. N. Viswanadha Rama Raju</b>	:	Managing Director
<b>Sri. S.Pavan Nandan</b>	:	Independent Director
<b>Sri D. Chandra Subash</b>	:	Independent Director
<b>Sri A.Chandra Sekhar</b>	:	Independent Director
<b>Sri K.V.Narasimha Raju</b>	:	Independent Director

**Auditors**

**M/s Venkata Pavan Kumar & Co.**  
Flat No.301, 3rd Floor  
Everest Block,Aditya Enclave,Ameerpet  
Hyderabad – 36.

**Bankers**

Axis Bank Ltd  
Banjara Hills,  
Hyderabad.

**Registered Office**

1-8-313, 4th Floor, Linus Building,  
Chiran Fortlane, Begumpet,  
Secunderabad

**Registrars &  
Share Transfer Agents**

**Venture Capital & Corporate Investments Ltd,**  
12-10-167, Bharatnagar  
Hyderabad – 18.

**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Tuesday, the 30th December, 2014 at 11.00 AM, at 102, First Floor, Micasa Flora, Durga Enclave, Komaply, Secunderabad -14, to transact the following items of business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 30th June, 2014 and the Balance Sheet and other statements as on that date together with the Report of the Board of Directors and the Auditor's Report thereon.
2. To Re-appoint the Statutory Auditor and fix their remuneration, by passing the following resolution with or without modification(s) an an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, M/s. Venkata Pavan Kumar & co, Chartered Accountants, (Registration No. 011599S), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2015.”

**SPECIAL BUSINESS:**

3. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Katari Venkata Narasimha Raju (DIN No. 01895373)**, Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with

Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Surampudi Pavan Nandan (DIN No. 02187696)**, Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Dutta Chandra Subhash (DIN No. 02221641)**, Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Mr. Aareti Chandra Sekhar (DIN No. 02741938)**, Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from ensuing Annual General Meeting.”

By order of the Board  
for BARON INFOETECH LIMITED

Sd/-  
**N.V.Rama Raju**  
Managing Director

Place : Hyderabad  
Date : 14-11-2014

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. Proxy forms in order to be effective must be deposited at the Registered office of the Company not less than 48 hours before the meeting.
3. The Share Transfer Register and the Register of Members of the Company will remain closed from **22-12-2014 to 29-12-2014** (both days inclusive).
4. M/s. Venture Capital And Corporate Investments Pvt Ltd., # 12-10-167, Bharat Nagar, Hyderabad -500 018, is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
5. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
6. Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.
9. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
10. Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
11. As part of the "Green Initiative", the Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository

Participant(s). Members who have received the Notice of the AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

## 12. Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

### A) Voting through electronic means:

Pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), the Company is providing Members facility to exercise their right to vote at the Postal Ballot by electronic means through e-Voting Services provided by NSDL.

1. Open the attached PDF file 'Baron\_AR\_13-14.pdf e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
3. Click on Shareholder - Login.
4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
5. If you are logging in for the first time, please enter the user ID and password provided in the attached PDF file as initial password.
6. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
7. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
8. Select "EVEN" (E-Voting Event Number) of Baron Infotech Limited which is 101483. Now you are ready for e-voting as Cast Vote page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
10. Upon confirmation, the message "Vote cast successfully" will be displayed.

11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to psraoassociates@gmail.com, with a copy marked to evoting@nsdl.co.in.
13. The voting period begins on 25-12-2014 (9.00 AM) and ends on 26-12-2014 (4.00 PM). The e-voting module shall be disabled by NDSL for voting thereafter.
14. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@nsdl.com](mailto:helpdesk.evoting@nsdl.com)
15. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 28-11-2014.
16. Mrs.N.Vanitha, Practicing Company Secretary (Certificate of Practice No:10573), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**B) Other Instructions:**

- I. Kindly note that the shareholders can opt only one mode of voting i.e either by e-voting or physical mode. If you are opting for e-voting, then cannot vote by physical mode and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
- II. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- III. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.baroninfotech.com](http://www.baroninfotech.com) and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.
- IV. Members may address any query to Mrs.N.Vanitha, Practicing Company Secretary, Tel.No.040-23352185, e-mail address: [info@baroninfotech.com](mailto:info@baroninfotech.com) Website: [www.baroninfotech.com](http://www.baroninfotech.com)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

**Item Nos.3, 4, 5 and 6:**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Katari Venkata Narasimha Raju, Mr. Surampudi Pavan Nandan, Mr. Dutta Chandra Subhash and Mr. Aareti Chandra Sekhar, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Nomination and Compensation Committee and the Board of Directors have recommended appointment of Mr. Katari Venkata Narasimha Raju, Mr. Surampudi Pavan Nandan, Mr. Dutta Chandra Subhash and Mr. Aareti Chandra Sekhar as Independent Directors of the Company.

Mr. Katari Venkata Narasimha Raju, Mr. Surampudi Pavan Nandan, Mr. Dutta Chandra Subhash and Mr. Aareti Chandra Sekhar, non-executive independent directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there-under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Copies of the draft letter of appointment of Mr. Katari Venkata Narasimha Raju, Mr. Surampudi Pavan Nandan, Mr. Dutta Chandra Subhash and Mr. Aareti Chandra Sekhar as Independent Directors setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.



The Board commends the resolutions in relation to the appointment of these Directors as Independent Directors, for your approval.

Except these Directors, being appointees, none of the Director(s) and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 3, 4, 5 and 6.

By order of the Board  
for BARON INFOETECH LIMITED

Sd/-  
**N.V.Rama Raju**  
Managing Director

Place :Hyderabad  
Date 14-11-2014

<b>Annexure A</b>				
<b>Details of Directors seeking appointment/ re-appointment at the Annual General Meeting. (Pursuant to Clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement)</b>				
Name of the Director	Mr.Katari Venkata Narasimha Raju	Mr.Surampudi Pavan Nandan	Mr.Dutta Chandra Subhash	Mr. Aareti Chandra Sekhar
Date of Birth	03/07/1969	22/01/1972	15/07/1970	01/08/1985
Date of Appointment	25/01/2006	03/05/2010	03/05/2010	25/03/2006
Relationship with Directors	None	None	None	None
Qualification	Degree	B.L	B.Sc	Degree
Board Membership of other companies as on June 30,2014 @	NIL	NIL	NIL	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a Director as on June 30, 2014				
a) Audit Committee	NIL	NIL	NIL	NIL
b) Stakeholders' Relationship Committee	NIL	NIL	NIL	NIL
c) Nomination and Remunerations Committee	NIL	NIL	NIL	NIL
Number of shares held in the Company as on June 30, 2014 #	NIL	NIL	NIL	NIL

**Note:**

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but included private limited companies.

# Includes shares held jointly with immediate family members.

---

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 17th Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 30th June, 2014.

### FINANCIAL PERFORMANCE:

The Company has been in the process of developing solutions. Some of applications have been given to customers to explore the marketing possibilities. On successful launch of any application generating revenues will start. Till then the spending on the applications is being treated as an expense.

### DIVIDEND:

The Directors do not recommend any dividend for the year 2013-14.

### DIRECTORS:

Pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, Mr. Katari Venkata Narasimha Raju, Mr. Surampudi Pavan Nandan, Mr. Dutta Chandra Subhash and Mr. Aareti Chandra Sekhar, Independent Directors of the Company are seeking fresh appointment for five consecutive years commencing from the ensuing Annual General Meeting.

### PERSONNEL:

The relations between the management and the staff were very cordial throughout this year. Your Directors take this opportunity to record their appreciation for the co-operation and loyal services rendered by the employees.

### AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, on rotation of audit firms, and based on the recommendation of the Audit Committee, the Board recommends the re-appointment of M/s. Venkata Pavan Kumar & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 3 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting. M/s. Venkata Pavan Kumar & Co., Chartered Accountants, have confirmed that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s. Venkata Pavan Kumar & Co., Chartered Accountants, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

**DEPOSITS:**

The Company has not accepted any deposits during the year.

**INFORMATION U/S 217(2A) OF THE COMPANIES ACT, 1956:**

None of the employees are drawing remuneration exceeding limits prescribed U/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 Your Directors confirm that:

- i. In preparation of annual accounts for the financial year ended 30th June, 2014 the applicable Accounting Standards have been followed;
- 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 ended 30th June, 2014 and of the profit and loss of the Company for the year;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.

**PARTICULARS OF EMPLOYEES:**

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies(Particulars of Employees) Rules 1975, the directors are to report that no employee was in receipt of remuneration of Rs.60,00,000/- or more per annum or Rs.5,00,000/- or more per month if employed for a part of the year.

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

During the period under review there are no operations which require to be disclosed under this head as per the provisions of the Companies Act, 1956.

**MANAGEMENT DISCUSSION & ANALYSIS**

Management's Discussion and Analysis Report is enclosed to this report as Annexure-B.

**CORPORATE GOVERNANCE:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the BSE. Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as Annexure – C to this report.

**ACKNOWLEDGEMENTS:**

Your Directors wish to express their gratitude to the Central and State Governments, investors, analysts, financial institutions, banks, business associates and customers, the medical profession, distributors and suppliers for their whole-hearted support. Your Directors commend all the employees of your Company for their continued dedication, significant contributions, hard work and commitment

For and on behalf of the Board

Sd/-

**N.V.Rama Raju**  
Managing Director

Place : Hyderabad  
Date : 14-11-2014

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

According to NASSCOM India continues to be a premier destination for global sourcing of IT and enabled services, accounting for around 52% share in the global sourcing market during the financial year 2014. Exports from India are estimated to cross Rs. 115bn in financial year 2014. The growth in export markets is expected to be in ability to offer solutions that integrate new business models such as SMAC (Social, Mobile, Analytics and cloud) with traditional offerings and improvement in demand scenario with signs of revival in global economy SMAC based integrated offerings is expected to change the way business is to be done in the near future. This represents an attractive opportunity for Indian IT vendors. As per NASSCOM, the combined potential of SMAC based technologies is estimated to be between US \$ 70bn to 200bn over the next 3 years.

Big data is increasingly evolving as an indispensable tool to manage and run the business efficiently. India is well placed to tap this opportunity due to its proven IT strengths and analytics capabilities. As per NASSCOM India's big data industry is estimated to reach US \$ 1bn by 2015, increasing at a remarkable CAGR of over 10% from US \$ 200mn in 2014. The government sector continues to be the largest contributor of revenue in domestic market, with increased trust on e-governance initiatives

### Opportunities, Threats, Risks and Concerns:

While the domestic market shows signals of increased IT spend by government agencies, large operators of the industry only are able to address these big sized opportunities since they have the capacity built up with good cash reserves. Even multinational IT players are in the race to take up large deals which require substantial investment. Therefore smaller companies with limited or scarce resources certainly are continuing to remain at a disadvantageous position handicapped and have difficulty in reaching their targets. Our company too, has the same limitation.

### Outlook

The Company's aim is to optimally utilize its resources and grabbing all the possible opportunities for achieving the end result of the organization for the year and for long run sustainability. Investment in research is needed to come up with new products and to give tough competition to competitors.

### Operations of the Company

The Company has not been carrying on its operations due to lack of orders except some training programmes and back-to-back contract on behalf of others. The Company is exploring various sources to get software contracts.

### Internal Controls and Their Adequacies

The Company is endeavoring to place all the controlling systems to have proper control and accountability on the operations at each level.



**Human Resources / Industrial Relations**

The Company believes and recognizes that its employees are a vital resource in its growth and to give competitive edge in the present business scenario.

The Board of Directors wishes to place on record its appreciation for the hard work and dedication of its employees at all levels.

For and on behalf of the Board

Place : Hyderabad  
Date : 14-11-2014

Sd/-  
**N.V.Rama Raju**  
Managing Director



**CORPORATE GOVERNANCE:**  
(As required under Clause 49 of the listing agreement)

The Companies shares were listed on BSE Limited. The Corporate Governance Report has been prepared in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

## 1. BOARD OF DIRECTORS

The Board presently comprises of five Directors, having rich and vast experience with specialized skills in their respective fields, out of which four are Non-Executive Directors. The Company has a Non-Executive Chairman and four (4) Independent Directors comprising more than 50% of the total strength of the Board. The Non-Executive Directors are more than 50% of the total number of Directors with the Managing Director being the only Executive Director on the Board of the Company.

Name of the Director	Category	No of Board Meetings during the Year 2014-13		Attendance at last AGM 30-12-2013	Other Director ships*	No of Member ships held in Companies#
		Held	Attended			
N. Viswanadha Rama Raju	Managing Director	4	3	YES	NIL	1
S.Pavan Nandan	Independent Director	4	4	YES	NIL	NIL
D. Chandra Subash	Independent Director	4	4	YES	NIL	1
A.Chandra Sekhar	Independent Director	4	4	YES	NIL	1
K.V.Narasimha Raju	Independent Director	4	4	YES	NIL	2

\*Excluding Private Limited Companies

# Only Membership of Audit and Investor Grievances Committees are considered.

During the year under review five Board Meetings were held on 30-08-2013, 13-11-2013, 14-02-2014 and 14-05-2014.

## 2. COMMITTEES OF DIRECTORS

### A. Audit Committee:

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

The present composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S.No	Name of the Director	Category
1	K.V.Narasimha Raju	Chairman & Independent Director
2	A.Chandra Sekhar	Independent Director
3	D. Chandra Subash	Independent Director

The Chairman of the Audit Committee also attended the last Annual General Meeting of the company.

The Audit Committee meetings were held during the year under review on the following date's 30-08-2013, 13-11-2013, 14-02-2014 and 14-05-2014. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

#### **B. Shareholders/Investors Grievance Committee**

The present Composition of the Shareholders/Investors Grievance Committee is as under:

S.NO.	Name of the Director	Nature of Directorship	Membership
1	K.V.Narasimha Raju	Independent & Non-Executive Director	Chairman
2	N.Viswanadha Rama Raju	Executive Director	Member

The Committee has been empowered to look into all share holders grievances periodically and take necessary actions.

There were no pending share transfers and un-resolved shareholders grievances pertaining to the Financial Year ended 30th June, 2014.

**C. GENERAL BODY MEETINGS**

i) The Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
June 30th, 2013	30th December, 2013.	102, Galada Towers, Begumpet Secunderabad-16	11.00 AM	No Special Resolution
June 30th, 2012	29th December, 2012.	1-8-313, 4th Floor Linus Building, Chiran Fort Lane, Begumpet Secunderabad.	11.00 AM	No Special Resolution
June 30th, 2011	30th December, 2011.	1-8-303/27, 3rd Floor OM Plaza, Sindhi Colony, P.G.Road Secunderabad.	10.00 AM	No Special Resolution

ii) During the last three financial years the following Special Resolutions were passed at the Extra-Ordinary General Meetings and through Postal Ballet.

Year	Date	Time	Special Resolution Passed
2012-2013	No Extra-ordinary General Meeting of the members was held during the year		
2011-2012	No Extra-ordinary General Meeting of the members was held during the year		
2010-2011	No Extra-ordinary General Meeting of the members was held during the year		

**3. DISCLOSURES**

No transaction of material nature is entered into by the Company with the promoters, directors or management or their relatives etc that may have a potential conflict of interest of the Company. The Company has not entered into any contract with the Director, which requires any entry in the register of contracts as required under the provisions of the Companies Act, 1956. There are no pecuniary transactions with the independent/ non-executive Directors other than payment of remuneration/sitting fees.

**Details of Non-Compliance and Penalties:**

There was no non-compliance during the year by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock

Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the Capital Markets.

**Whistle Blower Policy:**

As per the Internal Code of Conduct the employees have been given access to the Audit Committee

**CEO/CFO Certification:**

The Managing Director (CEO) and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 30th June, 2014.

Details of Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements:

The Company has complied with the mandatory requirement of Clause 49 and is in the process of implementation of Non-mandatory requirements if any.

**Relationships inter-se among Directors:**

In accordance with the provisions of Section 6 read with Schedule 1A of the Companies Act, 1956, no Directors are inter-se related to each other.

**4. Means of Communication**

Your Company complied with the requirements of Clause 41 of the Listing Agreement. The results are being published in Business Standard (English Newspaper) and Andhra Prabha (Telugu – Regional).

The Financial Results are regularly being submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website [www.baroninfotech.com](http://www.baroninfotech.com).

**5. GENERAL SHAREHOLDER'S INFORMATION****A. Annual General Meeting**

Date and Time	30th December, 2014-11.00AM
Venue	BARON INFOTECH LIMITED 102, 1st floor, Micasa Flora, Durga Enclave, Kompally, Secunderabad-14
Last Date of Proxy forms submission	48 Hours



<b>B. Financial Year</b>	:	July 1st to June 30th
<b>C. Book Closure</b>	:	22nd December, 2014 to 29th December, 2014
<b>D. Listing on Stock Exchanges</b>	:	BSE Limited, Mumbai

**Stock Code**

<b>Name of the Stock Exchange</b>	<b>Stock Code</b>	<b>Scrip Code</b>
BSE Limited	532336	BARONINF
Demat ISIN No. for NSDL & CDSL	INE228B01017	

**E. Market Price Data & Share Performance of the Company**

The monthly High, Low and trading volumes of the Companies Equity Shares during the last financial year 2013-2014 at BSE Limited is as under:

Months	Bombay Stock Exchange limited		
	High (Rs.)	Low(Rs.)	Volume
July, 2013	1.57	1.50	3,100
August, 2013	1.60	1.57	910
September, 2013	1.53	1.53	100
October, 2013	1.60	1.18	2,104
November, 2013	1.24	0.78	4,487
December, 2013	0.75	0.48	5,801
January, 2014	0.49	0.43	9,927
February, 2014	0.55	0.51	9,698
March, 2014	0.52	0.42	6,995
April, 2014	0.52	0.44	1,861
May, 2014	0.58	0.50	4,863

All Services relating to share transfer/transmissions and information may be addressed to:

**F. Registrar and Share Transfer System**

M/s Venture Capital Corporates Investments Private Limited  
12-10-167, Bharatnagar  
Hyderabad – 18.

## G. Share Transfer System

Share Transfers in physical form shall be lodged with the Registrar at the said address. The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

## H. Shareholding Pattern as on 30th June, 2014

Category	No. of Shares held	% of Capital
Indian Promoters Banks, Financial institutions, Insurance Companies (Central/State Govt institutions/ Non-Govt. institution)	1059200 0	10.38 0
Indian Public	8558291	83.91
Private Corporate Bodies	242631	2.38
NRI's/OCB's/FCCB's, others	339878	3.33
<b>Total</b>	<b>10200000</b>	<b>100</b>

## I. Dematerialization of shares and liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on 30th June, 2014, 59.42% of the Company's Equity Shares are in dematerialized form. The ISIN No. /Code for the Company's Equity Shares is INE228B01017. Shareholders can open an account with any of the depository participants registered with any of these depositories.

## J. Registered Office & Address for Correspondence

### Baron Infotech Limited

1-8-313,4th Floor, Linus Building, Chiran Fortlane, Begumpet, Secunderabad

For and on behalf of the Board

Sd/-

**N.V.Rama Raju**  
Managing Director

Place : Hyderabad  
Date : 14-11-2014

---

**Managing Director Certification**

I have reviewed the financial statements, read with the cash flow statement of Baron Infotech Limited for the year ended June 30th, 2014 and that to the best of my knowledge and belief, I state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements present true and fair view of the company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluating the effectiveness of internal control systems of the Company and have disclosed to the auditors and audit committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) I have indicated to the auditors and audit committee:
  - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (ii) There are no instances of fraud involving the management or an employee.

Place: Hyderabad

Date: 29-08-2014

Sd/-  
**N.V.RAMA RAJU**  
MANAGING DIRECTOR

**Declaration by the Managing Director**

I, N.V.Rama Raju, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2013-2014

Place: Hyderabad

Date: 29-08-2014

Sd/-  
**N.V.RAMA RAJU**  
MANAGING DIRECTOR

---

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of Baron Infotech Limited

We have examined the compliance of conditions of Corporate Governance by Baron Infotech Limited, for the year ended on June 30, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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.

Venkata Pavan Kumar & Co.,  
Chartered Accountants

Sd/-  
**V. Pavan**

Date : 29th August, 2014  
Place : Hyderabad.



---

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Baron Infotech Limited ("the Company") which comprises the balance sheet as at 30th June 2014, the statement of profit and loss and Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

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



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: (a) in the case of the balance sheet, of the state of affairs of the Company as at 30th June 2014; (b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. The Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (together the "order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, is enclosed in annexure;
2. As required by Section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and Cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the balance sheet, the statement of profit and loss and Cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable; and
  - (e) on the basis of written representations received from the directors as on 30th June 2014, and taken on record by the Board of Directors, none of the director is disqualified as on 30th June 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

For VENKATA PAVAN KUMAR & CO.,  
Chartered Accountants  
Firm Registration No. 011599S

Place : Hyderabad  
Date : 29.08.2014

Sd/-  
**A.V. PAVAN KUMAR**  
Partner  
Membership No. 215902

**Annexure to the Auditor's Report**

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

- i.
  - 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.
- ii. 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.
- iii. 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
- iv. 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.
- v. 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.
- vi. 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.

- vii. The company's internal audit system needs to be strengthened commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956.
- ix. a. 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.
- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.
- xv. 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.



- xvi. During the year no term loans were raised by the company hence this clause is not applicable.
- xvii. 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.
- xviii. During the year the company has not made any preferential allotment. Consequently clause xviii is not applicable to the company.
- xix. 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.
- xx. 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.
- xxi. 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.

For VENKATA PAVAN KUMAR & CO.,  
Chartered Accountants  
Firm Registration No. 011599S

Sd/-

**A.V. PAVAN KUMAR**

Partner

Membership No. 215902

Place : Hyderabad

Date : 29.08.2014

**BALANCE SHEET AS AT 30.06.2014**

PARTICULARS	SCH No.	As at 30.06.2014	As at 30.06.2013
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
Share Capital	1	102,000,000	102,000,000
Reserves and Surplus	2	(71,160,866)	(71,126,913)
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	3	839,281	839,281
<b>TOTAL Rs.</b>		<b>31,678,415</b>	<b>31,712,368</b>
<b>II. ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible Assets	4	708,765	854,507
Advance for Capital works		9,250,000	9,250,000
Current Assets, Loans & Advances			
Sundry Debtors	5	1,950,252	1,950,252
Cash & Bank Balances	6	2,471	681
Loans & Advances	7	19,766,927	19,656,927
<b>TOTAL Rs.</b>		<b>31,678,415</b>	<b>31,712,368</b>
Notes forming part of accounts	10		
The Notes referred to above forms an integral part of Financial statements			

As per our Report of Even Date  
For Venkata Pavan Kumar & Co.,  
Chartered Accountants,

For and on behalf of the Board of Directors

Sd/-  
**(A.V. PAVAN KUMAR)**  
Partner  
Membership No. 215902

Sd/-  
**(N.V.RAMA RAJU)**  
Managing Director

Sd/-  
**(K.V.N.Raju)**  
Director

Place : Hyderabad  
Date : 29-08-2014

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2014**

PARTICULARS	SCH No.	For the year ending 30.06.2014	For the year ending 30.06.2013
<b>INCOME FROM OPERATIONS</b>			
Fees from Training in Software		672,000	577,000
Sale of software		521,000	280,000
<b>TOTAL Rs.</b>		<b>1,193,000</b>	<b>857,000</b>
<b>EXPENDITURE</b>			
Employee Cost	8	535120.00	593,000
Other Expenses	9	546090.00	827,000
Depreciation		145742.53	179,212
<b>TOTAL Rs.</b>		<b>1,226,953</b>	<b>1,599,212</b>
Profit Before Tax		(33,953)	(742,212)
Less: Provision for Tax		-	-
<b>Profit After Tax</b>		<b>(33,953)</b>	<b>(742,212)</b>
EPS Basic & Diluted ( Rs.10 /- Face Value)		(0.000033)	(0.000728)

Notes forming part of accounts 10  
The Notes referred to above forms an integral part of Financial statements

As per our Report of Even Date  
For Venkata Pavan Kumar & Co.,  
Chartered Accountants,

For and on behalf of the Board of Directors

Sd/-  
**(A.V. PAVAN KUMAR)**  
Partner  
Membership No. 215902

Sd/-  
**(N.V.RAMA RAJU)**  
Managing Director

Sd/-  
**(K.V.N.Raju)**  
Director

Place : Hyderabad  
Date : 29-08-2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 30-06-2014

	30-06-2014	30-06-2013
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net profit ( Loss)	(33,953)	(742,212)
Adjustments for		
Depreciation	145742.5342	179,212
	145,743	179,212
Operating profit before working capital changes	111,790	(563,000)
<b>Adjustments for</b>		
Increase / (Decrease) in debtors	-	530,300
Loans, Advances and Other Current Assets Adj	(110,000)	-
Current Liabilities	-	-
	(110,000)	530,300
Cash Generated from operations	1,790	(32,700)
Income tax refund received / (Paid)	-	-
Net Cash From Operating Activities	1,790	(32,700)
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Assets		
Proceeds from Sale of assets		
Net Cash From Investing Activities	-	-
	1,790	(32,700)
<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		-
Net Cash From ( Used in )/ Financing Activities		-
<b>Net Increase/ Decrease in Cash and Cash Equivalents</b>	<b>1,790</b>	<b>(32,700)</b>
<b>Cash and Cash Equivalents - Opening balance</b>	<b>681</b>	<b>33,381</b>
<b>Cash and Cash Equivalents - Closing balance</b>	<b>2,471</b>	<b>681</b>

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 Venkata Pavan Kumar & Co.,**  
Chartered Accountants,  
Firm Regn. No. 011599S

**For and on behalf of the Board of Directors**

**(A.V. PAVAN KUMAR)**  
Partner  
Membership No. 215902

**(N.V.RAMA RAJU)**  
Managing Director

**(K.V.N.RAJU)**  
Director

Place : Hyderabad  
Date : 29.08.2014



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As At 30.06.2014	As At 30.06.2013
<b>Share Capital</b>			
<b>Authorised Capital</b>	<b>1</b>	<b>110,000,000</b>	<b>110,000,000</b>
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		102,000,000	102,000,000
(Previous year 1,02,00,000 Equity Shares of Rs.10/- each)			
<b>TOTAL</b>		<b>102,000,000</b>	<b>102,000,000</b>

**a. Reconciliation of opening and closing outstanding no. of Shares**

No. of shares outstanding at the beginning of the year	10,200,000	10,200,000
Add: No. of shares allotted	-	-
No. of shares outstanding at the end of the year	10,200,000	10,200,000

**b. Shares in the company held by each shareholder holding more than 5%:**

Name of share holder	No. of shares	No. of shares

  

Name of share holder	% of holding	% of holding

c. The company has only one class of equity shares having face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

**Long Term Liabilities**

RESERVES AND SURPLUS	2		
Debit Balance in Profit and Loss Account			
Opening Balance		(71,126,913)	(70,384,701)
Add: Current Year surplus / (Deficit)		(33,953)	(742,212)
<b>TOTAL</b>		<b>(71,160,866)</b>	<b>(71,126,913)</b>

## FIXED ASSETS AND DEPRECIATION SCHEDULE

Note No. : 4

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
	3	4	3	4	5	6	7	8	9
1									
2									
1									
SL. NO.	DESCRIPTION	RATE OF DEP	AS AT 01.07.13	AS AT 30.06.14	UPTO 30.06.13	FOR THE PERIOD	UP TO 30.06.14	AS AT 30.06.14	AS AT 30.06.13
A)									
1	FURNITURE	18.10%	5,765,350	5,765,350	5,324,305	79,829	5,404,134	361,215	441,044
2	OFFICE EQUIPMENT	13.91%	2,357,985	2,357,985	2,032,428	45,285	2,077,713	280,272	325,557
3	COMPUTERS	40.00%	16,288,322	16,288,322	16,269,935	7,355	16,277,290	11,033	18,388
4	VEHICLES	25.89%	1,598,134	1,598,134	1,568,056	7,787	1,575,843	22,291	30,078
5	AIR CONDITIONERS	13.91%	274,750	274,750	235,310	5,486	240,796	33,954	39,440
	<b>TOTAL</b>		<b>26,284,541</b>	<b>26,284,541</b>	<b>25,430,034</b>	<b>145,743</b>	<b>25,575,776</b>	<b>708,765</b>	<b>854,507</b>
	Previous year		<b>26,284,541</b>	<b>26,284,541</b>	<b>25,430,034</b>	<b>179,212</b>	<b>25,430,034</b>	<b>854,507</b>	<b>1,033,719</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As At 30.06.2014</b>	<b>As At 30.06.2013</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>3</b>		
Outstanding Expenses		438,177	438,177
Statutory dues payable		401,014	401,014
<b>TOTAL</b>		<b>755,735</b>	<b>755,735</b>
<b>SUNDRY DEBTORS</b>	<b>5</b>		
Unsecured and considered good outstanding more than Six months		1,682,552	1,682,552
Other debts		267,700	798,000
		1,950,252	2,480,552
Considered doubtful			
Debts outstanding more than six months		18,683,202	18,683,202
Less: Provision for bad & doubtful debts		18,683,202	18,683,202
		-	-
<b>TOTAL</b>		<b>1,950,252</b>	<b>2,480,552</b>
<b>CASH AND BANK BALANCES</b>	<b>6</b>		
Cash		222,471	681
Balances with Scheduled Banks in Current Accounts		-	-
<b>TOTAL Rs.</b>		<b>222,471</b>	<b>681</b>
<b>Loans &amp; Advances</b>	<b>7</b>		
<b>(Unsecured and considered good)</b>			
<b>(Recoverable in cash or in kind or for value to be received )</b>			
Advances		17,985,512	17,985,512
Deposits		610,000	610,000
Pre-Paid Taxes		1,061,415	1,061,415
<b>TOTAL</b>		<b>19,656,927</b>	<b>19,656,927</b>

NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	Note No.	For the year ending 30.06.2014	For the year ending 30.06.2013
<b>Employee Cost</b>	8		
Payment to trainers		221,720.00	590,500
Staff Welfare		313,400.00	2,500
<b>TOTAL Rs.</b>		<b>535120</b>	<b>593,000</b>
<b>Other Expenses</b>	9		
Rent		174,000	174,000
AGM Expenses		11,344	21,500
Share Transfer Expenses		27,476	50,000
Auditors Remuneration - Statutory Audit		20,000	20,000
Bank Charges		2,864.45	6,014
Travelling and Conveyance		179,968	264,379
Printing and Stationary		1,968.89	3,669
Courier Charges		1,190.06	4,489
Office Maintenance		21,872.54	77,949
Consultancy & Other Expenses		75,408	175,000
Lisitng fee		30,000	30,000
<b>TOTAL Rs.</b>		<b>546,090</b>	<b>827,000</b>

---

**SCHEDULE 10****Significant Accounting Policies and Notes on Accounts forming part of the Accounts for the period ended 30th June, 2014.****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

The financial Statements have been prepared and presented on historical cost convention under the accrual basis of accounting in accordance with accounting principles generally accepted in India (GAAP). Pursuant to circular 15/2013 dated 13 September 2013 read with circular 08/2014 dated 04 April 2014 issued by the Ministry of Corporate Affairs, the existing accounting standards notified under the Companies Act, 1956 shall apply till the standards of accounting or any addendum thereto are prescribed by the Central govt. in consultation and recommendation of the National Financial Reporting Authority. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions 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 with in a single primary business segment, hence the disclosure requirements of AS 17 segment reporting issued by ICAI are not applicable.

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

<b>12. Current Liabilities</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Dues to Micro and Small Enterprises:	NIL	NIL

**13. 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.

**14. 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.

<b>15. Basic / Diluted Earnings Price Share</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
a. Net Profit attributable to equity share holders	Rs. (33,953)	Rs. (742,212)
b. Weighted average no.of equity shares	10,200,000	10,200,000
c. Earnings Per share ( i / ii.a)	Rs.-0.0033	Rs.-0.0728
d. Nominal value per share	Rs.10	Rs.10

**16. Deferred Taxation**

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

17. Contingent Liabilities	30.06.2014	30.06.2013
Contingent liabilities as at end of the year:	NIL	NIL

#### 18. 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.

#### 19. General

During the year ended June 30, 2013 the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. and all figures are adjusted to nearest rupee.

---

As per our report of even date

By Order of the Board

FOR VENKATA PAVAN KUMAR & CO  
Chartered Accountants  
Firm Registration No. 011599S

For and on behalf of Board of Directors

Sd/-  
**A.V. PAVAN KUMAR**  
Partner  
Membership No. 215902

Sd/-  
**N.V.RAMA RAJU**  
Managing Director

Sd/-  
**K.V.N.RAJU**  
Director

Place : Hyderabad  
Date : 29.08.2014





## Baron Infotech Limited

CIN : L72200TG1996PLC025855

Registered Office : 1-8-313, 4th Floor, Linus Building,  
Chiran Fort Lane, Begumpet, Secunderabad - 03

● E-mail :info@baroninfotech.com ● Website : www.baroninfotech.com

### ADMISSION SLIP

DATE

Tuesday, 30th  
December, 2014

VENUE

102,First Floor, Micasa Flora,  
Durga Enclave, Kompally,  
Secunderabad-14

TIME

11.00 A.M.

Name & Address of Member

Serial No. :

I certify that I am a Member / Proxy for the Member holding \_\_\_\_\_ shares.

Please (√) in the box

Member

Proxy

Name of the Proxy in Block Letters

Signature of Member / Proxy attending

NOTES: i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry into the venue .

ii) Duplicate Admission Slip will not be issued at the venue.

### ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 17th AGM, in accordance with Section`108 of the Companies Act, 2013 read with Rule`20 of the Companies (Management and Administration) Rules, 2014. Please see Note (12) to the Notice dated 14th August, 2014, convening the AGM for the procedure with respect to e-voting.



# Baron Infotech Limited

CIN : L72200TG1996PLC025855

Registered Office : 1-8-313, 4th Floor, Linus Building,  
Chiran Fort Lane, Begumpet, Secunderabad - 03

● E-mail :info@baroninfotech.com ● Website : www.baroninfotech.com

## 17th ANNUAL GENERAL MEETING

### PROXY FORM

Serial No. :

1. Name(s) of Member(s) :  
including joint holders, if any

2 Registered address  
of the sole / first named Member :

3. E-mail ID

4. DP ID No. & Client ID No. /  
Registered Folio No.

I / We, being the Member(s) of \_\_\_\_\_ shares of Baron Infotech Limited, hereby appoint

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ r failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ r failing him

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ r failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 17th Annual General Meeting (AGM) of the Company to be held on Tuesday, the 30th day of December, 2014 at 11.00 a.m. 102, First Floor, Micaa Flora, Komapally, Secunderabad – 14, and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution Number	Description	Optional (✓)	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Accounts for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Appointment of M/s. Venkata Pavan Kumar & Co, Chartered Accountants, as Auditors and to authorize the Board of Directors to fix their remuneration.		
<b>Special Business</b>			
3	Appointment of Mr. Katari Venkata Narasimha Raju as an Independent Director for a period of five years with effect from the date of this AGM.		
4	Appointment of Mr. Surampudi Pavan Nandan as an Independent Director for a period of five years with effect from the date of this AGM.		
5	Appointment of Mr. Dutta Chandra Subhash as an Independent Director for a period of five years with effect from the date of this AGM.		
6	Appointment of Mr. Aareti Chandra Sekhar as an Independent Director for a period of five years with effect from the date of this AGM.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Affix  
Revenue

Signature of the Share Holder: \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to:

**BARON INFOTECH LIMITED**

Regd. Office: 1-8-313, 4th Floor,  
Linus Building, Chiran Fort Lane, Begumpet,  
Secunderabad – 500 003.