

# **Baron Infotech Limited**



**16<sup>th</sup>**

**ANNUAL REPORT**

**2012-13**



**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.210B, 10-1-128  
San Remo Apartments, Masabtank  
Hyderabad – 28.

**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 16th Annual General Meeting of the Company will be held on Monday, the 30th December, 2013 at 11.00 AM, at 102, Galada Towers, Begumpet, Secunderabad -16 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, 2013 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 appoint a Director in place of Mr. S. Pavan Nandan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. Chandra Subash who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT M/s. Venkata Pavan Kumar & Co., Chartered Accountants be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration."

By order of the Board  
for BARON INFOETECH LIMITED

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

Place :Hyderabad  
Date 30-08-2013

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy forms in order to be effective must be received by 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 25.12.2013 to 30.12.2013 (both days inclusive) in connection with the Annual General Meeting.
4. M/s. Venture Capital And Coporates Investments Private Limited, 12-10-167, BharatNagar, Hyderabad- 500 018, A.P. 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. Details of Directors seeking re-appointment at the upcoming 16th Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors, Mr. S. Pavan Nandan and Mr. D. Chandra Subash who is proposed to be re-appointed are given below:

A	Name	Mr. S.Pavan Nandan	Mr. D.Chandra Subash
B	Brief Resume:		
	i) Age	42 years	42 years
	ii) Qualification	B.L.	B.Se.,
C	Name(s) of the other Companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	None	None
D	Expertise	Expertise in the field of Administration, Finance and Management as he worked with various companies in senior positions.	Expertise in the field of Administration, Finance and Management as he worked with various companies in senior positions.
E	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	-	-

By order of the Board  
for BARON INFOETECH LIMITED

Sd/-

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

Place :Hyderabad  
Date :30-08-2013

---

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 16th Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 30th June, 2013.

### FINANCIAL PERFORMANCE:

The Company has executed some contracts back-to-back. The Company is also negotiating directly with various companies to get off-shore contracts.

### 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.

### DIRECTORS:

Mr. S.Pavan Nandan and Mr. D. Chandra Subash, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

### 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:

The Statutory Auditors of the Company, M/s.Venkata Pavan Kumar & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommend the re-appointment of M/s. Venkata Pavan Kumar & Co., Chartered Accountants, as Statutory Auditors of your Company.

### 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, 2013 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, 2013 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.

#### **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-A.

#### **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 – B 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

Place : Hyderabad  
Date : 30-08-2013

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth. Improving consumer confidence and structural policy decisions in the developed markets are providing the required momentum to kick-start the economy on to the path of recovery.

### Opportunities, Threats, Risks and Concerns:

The large size of the addressable global market, with relatively low current level of penetration suggests significant headroom for future growth. The Company has positioned itself well for the growth in business and is looking for projects like enterprise integration services, data ware housing services on long-term basis.

### 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

Sd/-

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

Place : Hyderabad  
Date : 30-08-2013

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

The Companies shares were listed on Bombay Stock Exchange 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 2012-13		Attendance at last AGM 29-12-2012	Other Director ships*	No of Member ships held in Companies#
		Held	Attended			
N. Viswanadha Rama Raju	Managing Director	5	5	YES	NIL	1
S.Pavan Nandan	Independent Director	5	5	YES	NIL	NIL
D. Chandra Subash	Independent Director	5	5	YES	NIL	1
A.Chandra Sekhar	Independent Director	5	4	YES	NIL	1
K.V.Narasimha Raju	Independent Director	5	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 14-08-2012, 14-11-2012, 03-12-2012, 14-02-2013 and 30-05-2013.

## 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 14-08-2012, 14-11-2012, 14-02-2013 and 30-05-2013. 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, 2013.

### 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, 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
June 30th, 2010	29th December, 2010.	1-8-303/27, 3rd Floor, OM Plaza, Sindhi Colony, P.G.Road Secunderabad.	11.00 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
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		
2009-2010	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, 2013.

**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	29th December, 2012-11.00AM
Venue	BARON INFOTECH LIMITED, 1-8-313,4th Floor, Linus Building, Chiran Fortlane, Begumpet, Secunderabad
Last Date of Proxy forms submission	48 Hours



- B. Financial Year** : July 1st to June 30th  
**C. Book Closure** : 25th December, 2013 to 30th December, 2013  
**D. Listing on Stock Exchanges** : BSE Limited, Mumbai

**Stock Code**

Name of the Stock Exchange	Stock Code	Scrip Code
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 2012-2013 at BSE Limited is as under:

Months	Bombay Stock Exchange limited		
	High (Rs.)	Low(Rs.)	Volume
July, 2012	1.65	1.26	5,953
August, 2012	1.58	1.15	9,313
September, 2012	1.21	1.02	10,589
October, 2012	1.57	1.05	14,045
November, 2012	1.57	1.34	4,212
December, 2012	1.36	1.14	4,605
January, 2013	1.30	0.95	12,145
February, 2013	1.44	1.18	5,448
March, 2013	1.72	1.43	10,501
April, 2013	1.62	1.62	1,200
May, 2013	1.54	1.50	1,610

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, 2011**

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

**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, 2013, 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 : 30-08-2013

### 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, 2013 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: 30-08-2013

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 2012-2013.

Place: Hyderabad  
Date: 30-08-2013

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, 2013, 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 : 30th August, 2013  
Place : Hyderabad.

---

## 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 2013, 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"). 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 2013; (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 ("the Order"), as amended, 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 2013, and taken on record by the Board of Directors, none of the director is disqualified as on 30TH JUNE 2013, 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 :

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

Place : Hyderabad  
Date :

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

**BALANCE SHEET AS AT 30.06.2013**

<b>PARTICULARS</b>	<b>SCH No.</b>	<b>As at 30.06.2013</b>	<b>As at 30.06.2012</b>
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
Share Capital	1	102,000,000	102,000,000
Reserves and Surplus	2	(71,126,913)	(70,384,701)
Share Application Money (Pending Allotment)		83,546	83,546
<b>CURRENT LIABILITIES</b>			
Other Current Liabilities	3	755,735	755,735
<b>TOTAL Rs.</b>		<b>31,712,368</b>	<b>32,454,580</b>
<b>II. ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible Assets	4	854,507	1,033,719
Advance for Capital works		9,250,000	9,250,000
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	5	1,950,252	2,480,552
Cash & Bank Balances	6	681	33,381
Loans & Advances	7	19,656,927	19,656,927
<b>TOTAL Rs.</b>		<b>31,712,368</b>	<b>32,454,580</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 :



## PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2013

PARTICULARS	SCH No.	For the year ending 30.06.2013	For the year ending 30.06.2012
<b>INCOME</b>			
Fees from Training in Software		577,000	3,512,000
Sale of software		280,000	200,000
<b>TOTAL Rs.</b>		<b>857,000</b>	<b>3,712,000</b>
<b>EXPENDITURE</b>			
Employee Cost	8	593,000	3,843,000
Other Expenses	9	827,000	941,382
Depreciation		179,212	222,125
<b>TOTAL Rs.</b>		<b>1,599,212</b>	<b>5,006,507</b>
<b>Profit Before Tax</b>		<b>(742,212)</b>	<b>(1,294,507)</b>
Less: Provision for Tax		-	-
Profit After Tax		(742,212)	(1,294,507)
EPS Basic & Diluted ( Rs.10 /- Face Value)		(0.000728)	(0.001269)

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,

Sd/-

**(A.V. PAVAN KUMAR)**

Partner

Membership No. 215902

Place : Hyderabad

Date :

For and on behalf of the Board of Directors

Sd/-

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

Managing Director

Sd/-

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

Director



**FIXED ASSETS AND DEPRECIATION SCHEDULE**
**Note No. : 4**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	2	3	4	5	6	7	8	9	8	9
1										
1	2	4	"7=4+5-6	8	9	"11=8+9-10	"12=7-11	"13=4-8		
SL. NO.	DESCRIPTION	AS AT 01.07.12	AS AT 30.06.13	UPTO 30.06.12	FOR THE PERIOD	UP TO 30.06.13	AS AT 30.06.13	AS AT 30.06.12		
A)	<b>TANGIBLE ASSETS</b>									
1	FURNITURE	5,765,350	5,765,350	5,226,834	97,471	5,324,305	441,044	538,516		
2	OFFICE EQUIPMENT	2,357,985	2,357,985	1,979,826	52,602	2,032,428	325,557	378,159		
3	COMPUTERS	16,288,322	16,288,322	16,257,676	12,259	16,269,935	18,388	30,647		
4	VEHICLES	1,598,134	1,598,134	1,557,548	10,508	1,568,056	30,078	40,586		
5	AIR CONDITIONERS	274,750	274,750	228,938	6,372	235,310	39,440	45,812		
	<b>TOTAL</b>	<b>26,284,541</b>	<b>26,284,541</b>	<b>25,250,822</b>	<b>179,212</b>	<b>25,430,034</b>	<b>854,507</b>	<b>1,033,719</b>		
	Previous year	26,284,541	26,284,541	25,028,696	222,125	25,250,822	1,033,719			





## NOTES FORMING PART OF FINANCIAL STATEMENTS

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As At 30.06.2013</b>	<b>As At 30.06.2012</b>
<b>OTHER CURRENT LIABILITIES</b>	<b>3</b>		
Outstanding Expenses		354,721	354,721
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		681	21,418
Balances with Scheduled Banks in Current Accounts		-	11,963
<b>TOTAL Rs.</b>		<b>681</b>	<b>33,381</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 30.06.2013	For the year ending 30.06.2012
<b>Employee Cost</b>	8		
Payment to trainers		590,500	3,836,500
Staff Welfare		2,500	6,500
<b>TOTAL Rs.</b>		<b>593,000</b>	<b>3,843,000</b>
<b>Other Expenses</b>	9		
Rent		174,000	174,000
AGM Expenses		21,500	21,500
Share Transfer Expenses		50,000	50,000
Auditors Remuneration - Statutory Audit		20,000	20,000
Bank Charges		6,014	5,400
Travelling and Conveyance		264,379	346,090
Printing and Stationary		3,669	13,901
Courier Charges		4,489	9,890
Office Maintenance		77,949	115,601
Consultancy & Other Expenses		175,000	155,000
Lisitng fee		30,000	30,000
<b>TOTAL Rs.</b>		<b>827,000</b>	<b>941,382</b>

---

**SCHEDULE 10****Significant Accounting Policies and Notes on Accounts forming part of the Accounts for the period ended 30th June, 2012.****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 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.

12. Current Liabilities	30.06.2013	30.06.2012
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>30.06.2013</b>	<b>30.06.2012</b>
a. Net Profit attributable to equity share holders	Rs. -692212.00	Rs. -1294507.00
b. Weighted average no.of equity shares	102,00,000	102,00,000
c. Earnings Per share ( i / ii.a)	Rs. -0.000679	Rs. -0.001269
d. Nominal value per share	Rs. 10.00	Rs. 10.

**16. Deferred Taxation**

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

<b>17. Contingent Liabilities</b>	<b>30.06.2013</b>	<b>30.06.2012</b>
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 :

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30-06-2012**

	30-06-2013	30-06-2012
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net profit ( Loss)	(742,212)	(1,294,507)
Adjustments for		
Depreciation	179,212	222,125
	<u>179,212</u>	<u>222,125</u>
Operating profit before working capital changes	(563,000)	(1,072,382)
Adjustments for		
Increase / (Decrease) in debtors	530,300	858,000
Loans, Advances and Other Current Assets Adj	-	-
Current Liabilities	-	-
	<u>530,300</u>	<u>858,000</u>
Cash Generated from operations	(32,700)	(214,382)
Income tax refund received / (Paid)	-	-
Net Cash From Operating Activities	(32,700)	(214,382)
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of Assets	-	-
Proceeds from Sale of assets	-	-
Net Cash From Investing Activities	(32,700)	(214,382)
<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	-	-
Net Increase/ Decrease in Cash and Cash Equivalents	<u>(32,700)</u>	<u>(214,382)</u>
Cash and Cash Equivalents - Opening balance	33,381	247,763
Cash and Cash Equivalents - Closing balance	681	33,381

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 :



# Baron Infotech Limited

Regd.Off: 1-8-313,4th Floor, Linus Building, Chiran Fortlane, Begumpet  
Hyderabad- 500 003, Andhra Pradesh.

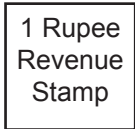
## PROXY FORM

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 16th Annual  
General Meeting of the Company to be held on Monday, the 30th December, 2013 at 11.00 A.M  
at 102, Galada Towers, Begumpet, Secunderabad -16 and at any adjournment thereof.

Signed this.....day

of.....2013



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

Regd.Off: 1-8-313,4th Floor, Linus Building, Chiran Fortlane, Begumpet  
Hyderabad- 500 003, Andhra Pradesh.

## ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

16th Annual General Meeting 30th December, 2013 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 16th Annual General Meeting of the Company at 102, Galada Towers, Begumpet, Secunderabad -16 on Monday, the 30th December, 2013.

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.





**PRINTED MATTER  
BOOK - POST**

*If undelivered please return to :*

**Baron Infotech Limited**

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