

Baron Infotech Limited



16th

ANNUAL REPORT

2012-13

Board of Directors

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