

Baron Infotech Limited

B-480



Baron

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3rd
ANNUAL REPORT
1999-2000

BOARD OF DIRECTORS

<i>N.V.Rama Raju</i>	<i>Managing Director</i>
<i>Dr.B.Soma Raju</i>	<i>Director</i>
<i>N.Srinivasa Raju</i>	<i>Director</i>
<i>Varma Kunaparaju</i>	<i>Director</i>
<i>Raju S.Alluri</i>	<i>Director</i>
<i>Suresh Vobilisetty</i>	<i>Director</i>
<i>Dean Seniff</i>	<i>Director</i>

REGISTERED OFFICE

7-1-59/4 & 8, 2nd Floor,
Syndicate Bank Complex
Ameerpet, Hyderabad-500 016.

DEVELOPMENT CENTRE

1Q3-A3, First Floor,
Cyber Towers, Hitec City,
Madhapur, Hyderabad.

BRANCHES

USA

Fremont
CA-94537-8170, USA

UK

795, Harrow Road,
Sudbury Town,
Wembley, Middlesex HAO 2LR

SINGAPORE

31, Cantonment Road
Singapore-089747

AUDITORS

T.S.Ajai
Chartered Accountants
304, Minar Apartments
Deccan Towers, Basheerbagh X Roads,
Hyderabad- 500 029

BANKERS

Bank of Madura Ltd., Koti Branch, Hyderabad.

Bharat Mercantile Co-operative Urban Bank
Limited, Hyderabad.

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Consultants Limited
Karvy House, 46, Avenue 4,
Street # 1, Banjara Hills
Hyderabad-500 034.

SHARES LISTED AT

Hyderabad Stock Exchange.
Mumbai Stock Exchange.



NOTICE

Notice is hereby given that the 3rd Annual General Meeting of the members of the company of M/s Baron Infotech Ltd., will be held on Monday the 13th day of November, 2000 at 10.30 am at The Chip Hall, Cyber Towers, Hitec City, Madhapur, Hyderabad, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as on 31st March 2000 and Profit & Loss account for the year ended 31st March 2000 along with Auditors Report & Directors Report thereon.
2. To appoint a Director in place of Shri N.Srinivasa Raju, Director, retiring by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Dr.B.Soma Raju, Director, retiring by rotation and is eligible for reappointment.
4. To consider and if thought fit to pass with or without modification the following resolution as ordinary resolution
 "RESOLVED THAT the auditors of the company Mr.T.S.Ajai, Chartered Accountants who retires at this meeting being eligible and willing to act as Statutory Auditors be and is hereby appointed as auditors of the company holding office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at a remuneration to be fixed by the board.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:
 To appoint Mr.Dean C Seniff, who was appointed as Additional Director of the company who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company liable to retire by rotation.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:
 To appoint Mr.Varma Kunaparaju, who was appointed as Additional Director of the company who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company liable to retire by rotation.
7. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:
 To appoint Mr.Suresh Vobilisetty, who was appointed as Additional Director of the company who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company liable to retire by rotation.
8. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:
 To appoint Mr.Raju S.Alluri, who was appointed as Additional Director of the company who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company liable to retire by rotation.
9. To consider and if thought fit to pass with or without modification(s) the following as special resolutions:
 "RESOLVED THAT the existing Clauses 1 & 2 of Articles of

the Association of the company be and is hereby deleted in its place the following article 16 be substituted:

Limitation of Time for issue of Certificates

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.

10. Further issue of shares

Article 7(b) (ii) shall be amended to substitute the words "30 Days" in the place of 15 days in the 3rd line. Also add the following Clause as 7(d)

Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

- a) If a special resolution to that effect is passed by the company in General Meeting, or
 - b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.
- Nothing in sub-clause (c) of (1) hereof shall be deemed:
- a) To extend the time within which the offer should be accepted: or
 - b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the company:

- i) To convert such debentures or loans into shares in the company; or
- ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in



conformity with Rules, if any, made by that Government in this behalf; and

- b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

11. Article 8 - Power of General Meeting to offer shares to such persons as the company may resolve.

Article 8 shall be amended such that Clause 2 shall be added as follows:

Terms of Issue of Debentures

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

12. To consider and if thought fit to pass with or without modification(s) the following as special resolution:

"RESOLVED THAT the existing Article 19 of the Articles of Association of the company be and is hereby deleted and in its place the following article 19 be substituted:

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the company.

13. Article 20 - Company's lien on Shares

Article 20 shall be amended such that the following clause shall replace the existing clause.

The company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless

otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

14. To consider and if thought fit to pass with or without modification(s) the following as special resolution:

Article 30 shall be amended such that the following Clause 2 shall be added.

"The provisions of these articles shall mutatis mutandis apply to the calls on debentures of the company".

15. To consider and if thought fit to pass with or without modification(s) the following as special resolution:

"RESOLVED THAT the following Clauses be added in the existing Article 35(1) immediately after the words "Subject to the provisions of Section 111 of the Act":

"And Section 22A of the Securities Contracts (regulation) act 1956".

Also add the following Clause to the last line.

"Transfer of Shares/Debentures in what ever lot shall not be refused".

Insert the following Clause as Clause 5 to article 35.

No Fee On Transfer OR Transmission.

"No fee shall be charged for registration of transfer, transmission, probate, Certificate of death/marriage, succession certificate and letters of administration, Power of Attorney or similar other documents".

By order of the Board
for **BARON INFOTECH LTD**

Sd/-
N.V.RAMA RAJU
Managing Director

Place: Hyderabad

Date : 11.10.2000

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. A proxy need not be a member of the company. A blank form of a Proxy is enclosed and if intended to be used, it should be returned to the company not less than 48 hrs. before the commencement of the Annual General Meeting duly completed.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The book closure for taking on record the shareholders of the company as on the date of the AGM has been fixed from 11.11.2000 to 13.11.2000 (Both days inclusive).
4. Members are requested to notify immediately, any change in their address, to the Registrars & Share Transfer Agents quoting their Registered folio Nos.
5. Members attending the meeting are requested to bring with them the Attendance Slip and hand over the same at the entrance of the hall, duly signed.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Mr. Dean C. Seniff, was appointed as Additional Director on the Board at its meeting held on 04.12.1999. A Notice was received by the company in writing from a member along with requisite deposit pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Dean C. Seniff's candidature as Director liable to retire by rotation.

Except Mr. Dean C. Seniff, none of the other Directors are interested in the above said Resolution.

ITEM NO.6

Mr. Varma Kunaparaju, was appointed as Additional Director on the Board at its meeting held on 04.12.1999. A Notice was received by the company in writing from a member along with requisite deposit pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Varma Kunaparaju's candidature as Director liable to retire by rotation.

Except Mr. Varma Kunaparaju, none of the other Directors are interested in the above said Resolution.

ITEM NO.7

Mr. Suresh Vobilisetty, was appointed as Additional Director on the Board at its meeting held on 04.12.1999. A Notice was received by the company in writing from a member along with requisite deposit pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Suresh Vobilisetty's candidature as Director liable to retire by rotation.

Except Mr. Suresh Vobilisetty none of the other Directors are interested in the above said Resolution.

ITEM NO.8

Mr. Raju S. Alluri, was appointed as Additional Director on the Board at its meeting held on 04.12.1999. A Notice was received by the company in writing from a member along with requisite deposit pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Raju S. Alluri's candidature as Director liable to retire by rotation.

Except Mr. Raju S. Alluri, none of the other Directors are interested in the above said Resolution.

ITEM NOS.9 TO 15

Alteration of Articles of Association

The articles of association needed to be altered to include provisions which are in consonance with the ones given by the Stock Exchanges of Mumbai and Hyderabad at the time of entering into the listing agreement with them.

Amendment of the Articles requires special resolution to be passed by the Shareholders at the general meeting as per section 31(1) of the companies act, 1956.

The Board therefore recommends the resolutions to be passed by the members as a special resolutions.

By order of the Board
for **BARON INFOTECH LTD**

Sd/-

N.V.RAMA RAJU
Managing Director

Place: Hyderabad
Date : 11.10.2000