

## 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  
SanRemo Apartments, Masabtank  
Hyderabad 28.

**Bankers** : Axis Bank Ltd  
Banjara Hill  
Hyderabad

**Registered Office** : 1-8-303/27, 2<sup>nd</sup> Floor,  
OM Plaza.Sindhi Colony,  
P.G Road, Secunderabad.

**Share Transfer Agent** : M/s Venture Capital Corporates Investments  
Pvt. Ltd.,

## NOTICE

**Notice** is hereby given that the 13th Annual General Meeting of the Company will be held on Wednesday, the 29th December, 2010 at 11.00 AM, at 1-8-303/27, 2nd Floor, OM Plaza, Sindhi Colony, P.G Road, Secunderabad., 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 30<sup>th</sup> June, 2010 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. K.V. Narasimha Raju who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.Chandra Sekhar 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

Place:Hyderabad  
Date: 29.11.2010

SD/  
**N.V.RAMA RAJU**  
MANAGING DIRECTOR

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 26.12.2010 to 29.12.2010 (both days inclusive) **in connection with the Annual General Meeting.**

4. M/s. Venture Capital 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 13<sup>th</sup> Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)**

As required under the Listing Agreement, the particulars of Directors, Mr. K.V. Narasimha Raju and Mr. A.Chandra Sekhar who is proposed to be re-appointed are given below:

A	Name	Mr. K.V. Narasimha Raju	Mr. A.Chandra Sekhar
B	Brief Resume:		
	i) Age	50	46
	ii) Qualification	Degree	Degree
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	Service	Business
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

Place:Hyderabad  
Date: 29.11.2010

SD/  
**N.V.RAMA RAJU**  
MANAGING DIRECTOR

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith the 13<sup>th</sup> Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 30<sup>th</sup> June, 2010.

### FINANCIAL PERFORMANCE:

The contracts proposed have not materialized during the year under review.

### 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.24,00,000/- or more per annum or Rs.2,00,000/- or more per month if employed for a part of the year.

### DIRECTORS:

Mr. K.V. Narasimha Raju and Mr. A.Chandra Sekhar, 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:

Details of employees drawing remuneration exceeding limits prescribed U/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is attached with the report.

### 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 30<sup>th</sup> June, 2010 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 30<sup>th</sup> June, 2010 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

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.

## **CORPORATE GOVERNANCE:**

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. 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 to this report.

## **MANAGEMENT DISCUSSION & ANALYSIS:**

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

## **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.

By order of the Board  
For BARON INFOETECH LIMITED

Place:Hyderabad  
Date: 29.11.2010

SD/  
**N.V.RAMA RAJU**  
MANAGING DIRECTOR

## CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the listing agreement)

The Companies shares were listed on Bombay Stock Exchange Limited and The Hyderabad Stock Exchange.. 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 one third 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 2009-2010		Attendance at last AGM 29-12-2009	Other Directorships
		Held			
N. Viswanadha Rama Raju	Managing Director	4	Yes	Yes	NIL
S.Pavan Nandan	Independent Director	0	Yes	Yes	NIL
D. Chandra Subash	Independent Director	0	No	Yes	NIL
A.Chandra Sekhar	Independent Director	4	No	No	NIL
K.V.Narasimha Raju	Independent Director	4	No	Yes	NIL

During the year under review five Board Meetings were held on 16-07-2009, 15-10-2009, 19-01-2010 and 18-04-2010.

### 1. 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 16-07-2009, 15-10-2009, 19-01-2010 and 18-04-2010. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

#### A. Shareholders' Grievances Committee

The Present Composition of the Shareholders Grievances 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 30<sup>th</sup> June, 2010.

#### A. 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, 2009	29 <sup>th</sup> December, 2009	Golconda Garden Function Hall, Attapur X Roads, Rajendra Nagar, Hyderabad - 28	11.00 AM	No Special Resolution
June 30th, 2008	29 <sup>th</sup> December, 2008	Golconda Garden Function Hall, Attapur X Roads, Rajendra Nagar, Hyderabad - 28	11.00 AM	No Special Resolution
June 30th, 2007	5 <sup>th</sup> November, 2007	Golconda Garden Function Hall, Attapur X Roads, Rajendra Nagar, Hyderabad - 28	11.00 AM	No Special Resolution

i) 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
2008-2009	No Extra-ordinary General Meeting of the members was held during the year		
2007-2008	No Extra-ordinary General Meeting of the members was held during the year		
2006-2007	No Extra-ordinary General Meeting of the members was held during the year		

## 1. 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.

## 2. GENERAL SHAREHOLDER'S INFORMATION

### A. Annual General Meeting

<b>Date and Time</b>	29 <sup>th</sup> December, 2010-11.00AM
<b>Venue</b>	BARON INFOTECH LIMITED, 1-8-303/27, 2 <sup>nd</sup> Floor, OM Plaza Sindhi Colony, P.G Road, Secunderabad.
<b>Last Date of Proxy forms submission</b>	48 Hours

**A. Financial Year** : July 1<sup>st</sup> to June 30<sup>th</sup>

**B. Book Closure** : 25<sup>th</sup> December, 2010 to 29<sup>th</sup> December, 2010

### C. Listing on Stock

**Exchanges** : 1. Bombay Stock Exchange Limited, Mumbai  
2. The Hyderabad Stock Exchange Limited,

### Stock Code

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

The Companies Securities are listed on the Bombay Stock Exchange Limited, Mumbai. Bombay Stock Exchange Limited has suspended the trading in the scrip of the Company as the Company has not complied with certain listing formalities.

### A. Market Price Data & Share Performance of the Company

Since there is no trading taken place during the year under review, there is insignificant data



**A. Registrar and Share Transfer System**

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

**B. 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.

**I. Shareholding Pattern as on 30<sup>th</sup> June, 2010**

Category	No. of Shares held	% of Capital
Indian Promoters	1280700	12.56
Banks, Financial institutions, Insurance Companies (Central/State Govt institutions/ Non-Govt. institution)	0	0
Indian Public	8559905	83.92
Private Corporate Bodies	254195	2.49
NRI's/OCB's/FCCB's, others	105200	1.03
Total	10200000	100

**J. 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 30<sup>th</sup> June, 2009, 59.97% 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.

**L. Registered Office & Address for Correspondence**

Baron Infotech Limited  
1-8-303/27, 2<sup>nd</sup> Floor, OM Plaza ,Sindhi Colony, P.G Road, Secunderabad..

**for and on behalf of the Board  
Baron Infotech Limited**

**Place:** Hyderabad  
**Date :** 29.11.2010

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

**Managing Director Certification**

I have reviewed the financial statements, read with the cash flow statement of Baron Infotech Limited for the year ended June 30<sup>th</sup>, 2010 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  
**DIRECTOR**  
**Date:** 29.11.2010

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

**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 2009-2010.

**Place:** Hyderabad  
**Date:** 29.11.2010

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

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, 2010, 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 :29-11-2010  
Place : Hyderabad.

**Annexure to the Auditor's Report**

**Annexure referred to in paragraph 3 of the report 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

- a. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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.
- viii. During the year no term loans were raised by the company hence this clause is not applicable.
- ix. 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.
- x. During the year the company has not made any preferential allotment. Consequently clause xviii is not applicable to the company.
- xi. 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.
- xii. 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.
- xiii. 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 & C O.,  
Chartered Accountants  
Firm Registration No.

011599S

Place : Hyderabad  
Date :29-11-2010

Sd/-  
A.V. PAVAN KUMAR  
Partner, M.No 215902



<b>BARON INFOTECH LIMITED</b> 1-8-303/27,2nd Floor,Om Plaza,P.G.Road,Sindhi Colony,Secunderabad -03  <b>PROFIT &amp; LOSS ACCOUNT FOR THE Year ENDED</b>  As at 30.06.2010			
PARTICULARS	SCH NO	For the year ending 30.06.2010	For the year ending 30.06.2009
<b>INCOME</b>			
Fees from Training in Software		650,111	392,500
Sale of software		338,005	600,000
Other income- Cr Balances Written back		-	-
<b>TOTAL Rs.</b>		<b>988,116</b>	<b>992,500</b>
<b>EXPENDITURE</b>			
Staff & Trainers Cost	7	364,374	301,000
Admn. & Other Exp	8	189,412	227,186
Depreciation		352,426	453,425
<b>TOTAL Rs.</b>		<b>906,212</b>	<b>981,611</b>
<b>PROFIT / (LOSS) FOR THE YEAR</b>			
Less: Prior period items		-	-
Profit after prior period items		81,904	10,889
Add Loss Brought forward from previous year		(69,602,102)	(69,612,991)
Balance Carried Forward To Balance Sheet		(69,520,198)	(69,602,102)
EPS Basic & Diluted ( Rs.10 / - Face Value)		<b>0.0080</b>	<b>0.0011</b>
Notes forming part of accounts 9			
As per our Report of Even Date For Venkata Pavan Kumar & Co., Chartered Accountants,  <b>(A.V. PAVAN KUMAR)</b> Partner Membership No. 215902		For and on behalf of the Board of Directors  <b>(N.V.RAMA RAJU)</b> <b>(S.P.NANDAN)</b> Managing Director      Director	
Place : Hyderabad Date : 29-11-2010			

<b>BARON INFOTECH LIMITED</b> 1-8-303/27,2nd Floor,Om Plaza,P.G.Road,Sindhi Colony,Secunderabad -03			
<b>SCHEDULES to Balance Sheet</b>			
(Amount in Rs.)			
PARTICULARS	SCH NO	As at 30.06.2010	As at 30.06.2009
<b>Share Capital</b>			
<b>Authorised Capital</b>	1	110,000,000	110,000,000
1,10,00,000 Equity shares of Rs. 10/- each (Previous year 1,10,00,000 Equity Shares of Rs.10/- each)			
<b>Issued, Subscibed &amp; Paid up Capital</b>			
1,02,00,000 Equity share of Rs.10/- each fully paid up (Previous year 1,02,00,000 Equity Shares of Rs.10/- each)		102,000,000	102,000,000
<b>TOTAL</b>		<b>102,000,000</b>	<b>102,000,000</b>
<b>Sundry Debtors</b>	3		
Unsecured and considered good outstanding more than Six months		1,682,552	1,682,552
Other debts		950,000	600,000
		<b>2,632,552</b>	<b>2,282,552</b>
Considered doubtful Debts outstanding more than six months Less: Provision for bad & doubtful debts		18,683,202 18,683,202 -	18,683,202 18,683,202 -
<b>TOTAL Rs.</b>		<b>2,632,552</b>	<b>2,282,552</b>
<b>Cash &amp; Bank Balances</b>	4		
Cash		162,671	143,396
Balances with Scheduled Banks in Current Accounts		11,963	17,963
<b>TOTAL Rs.</b>		<b>174,634</b>	<b>161,359</b>
<b>Loans &amp; Advances</b> (unsecured and considered good) ( Recoverable in cash or in kind or for value to be received )	5		
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>
<b>Current Liabilities &amp; Provisions</b>	6		
<b>Current liabilities:</b>			
Outstanding Expenses		354,721	354,721
Share Application Money (Pending for refund)		83,546	83,546
Statutory dues payable		401,014	401,014
Other Current Liabilities		-	-
<b>TOTAL</b>		<b>839,281</b>	<b>839,281</b>



BARON INFOTECH LIMITED								
1-8-30/27 2nd Floor Om Plaza, P.G.Road Sindhi Colony, Secunderabad -43								
SCHEDULE 2								
PARTICULARS								
GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
1	2	3	4	5	6	7	8	9
SL. NO.	DESCRIPTION	AS AT 01.07.09	AS AT 30.06.10	UPTO 30.06.09	FOR THE PERIOD	UP TO 30.06.10	AS AT 30.06.10	AS AT 30.06.09
1	FURNITURE	5,765,350	5,765,350	4,785,077	177,459	4,563,507	802,843	980,272
2	OFFICE EQUIPMENT	2,357,985	2,357,985	1,765,511	82,441	1,847,752	510,233	592,674
3	COMPUTERS	16,286,522	16,286,522	16,146,440	56,753	16,303,193	85,129	141,862
4	VEHICLES	1,598,134	1,598,134	1,498,422	25,815	1,524,238	73,896	99,712
5	AIR CONDITIONERS	274,750	374,750	203,950	9,587	213,537	61,213	21,801
	<b>TOTAL</b>	<b>26,284,541</b>	<b>26,284,541</b>	<b>24,398,201</b>	<b>352,426</b>	<b>24,750,627</b>	<b>1,533,915</b>	<b>1,886,240</b>
	Previous year	26,284,541	26,284,541	23,944,775	453,425	24,398,201	1,886,240	
	Advance for Capital works	9,250,000	9,250,000	-	-	-	9,250,000	9,250,000

BARON INFOTECH LIMITED			
1-8-303/27,2nd Floor,Om Plaza,P.G.Road,Sindhi Colony,Secunderabad -03			
SCHEDULES to Profit & Loss A/c			
PARTICULARS	SCH	For the year ending 30.06.2010	For the year ending 30.06.2009
<b>Staff Costs</b>	7		
Payment to trainers		144,000	295,000
Staff Welfare		3,500	6,000
<b>TOTAL Rs.</b>		<b>147,500</b>	<b>301,000</b>
<b>Administrative &amp; Selling Expenses</b>	8		
Rent		60,000	72,500
AGM Expenses		15,000	20,000
Share Transfer Expenses		35,000	50,000
Auditors Remuneration - Statutory Audit		20,000	20,000
Bank Charges		6,600	6,686
Office Maintenance		12,000	24,500
Consultancy & Other Expenses		-	3,500
Lisitng fee		30,000	30,000
<b>TOTAL Rs.</b>		<b>178,600</b>	<b>227,186</b>

## SCHEDULE 9

**Significant Accounting Policies and Notes on Accounts forming part of the Accounts for the period ended 30<sup>th</sup> June, 2010.**

### **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.

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

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

2. Current Liabilities	30.06.2010	30.06.2009
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Dues to Micro and Small Enterprises: NIL NIL

### 3. Foreign Exchange Inflow/Outflow

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

### 4. Related Party Transactions

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

N.V.Rama Raju	--	Managing Director.
S.N.Pavan	--	Director.
Subhash S. Dutta	--	Director.
N.Srinivasa Raju	--	Director.
K. Ramakrishna Raju	--	Director.
K. Manohar Raju	--	Director.

During the Year there are no related party transactions.

5. Basic / Diluted Earnings Price Share	30.06.2010	30.06.2009
i. Net Profit attributable to equity share holders	Rs. 10849.00	Rs. 10889.00
ii. Weighted average no.of equity shares	102,00,000	102,00,000
iii. Earnings Per share ( i / ii.a)	Rs. 0.0011	Rs. 0.0011
iv. Nominal value per share	Rs. 10.00	Rs. 10.00

### 6. Deferred Taxation

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

7. Contingent Liabilities	30.06.2010	30.06.2009
Contingent liabilities as at end of the year:	NIL	NIL

### 8. 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.

**9. General**

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

**By Order of the Board**

**As per our report of even date**

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

Sd/-  
A.V. PAVAN KUMAR  
Partner

Membership No. 215902

Place : Hyderabad  
Date : 29-11-2010

For and on behalf of Board of Directors

Sd/-	Sd/-
N.V.Rama Raju Managing Director	S.N.PAVAN Director

				RS in 000's
<b>BALANCE SHEET AND A COMPANY'S GENERAL BUSINESS PROFILE</b>				
<b>I REGISTRATION DETAILS :</b>				
REGISTRATION NO.	L99999AP1996PLC025855	STATE CODE	"01"	
BALANCE SHEET DATE	30.06.2010			
<b>II CAPITAL RAISED DURING THE YEAR ( AMOUNT IS RS. THOUSANDS )</b>				
PUBLIC ISSUE	-	RIGHTS ISSUE	-	
BONUS ISSUE	-	PRIVATE PLACEMENT	-	
SHARE APPLICATION MONEY	-			
<b>III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS</b>				
TOTAL LIABILITIES	102,000	TOTAL ASSETS	102,000	
<b>SOURCES OF FUNDS</b>				
PAID UP CAPITAL	102,000	RESERVES & SURPLUS	-	
SECURED LOANS	-	UNSECURED LOANS	-	
SHARE APPLICATION MONEY	-			
<b>APPLICATION OF FUNDS</b>				
NET FIXED ASSETS	1,534	ADVANCE FOR ASSETS	9,250	
NET CURRENT ASSETS	21,625	MISC EXPENDITURE	-	
ACCUMULATED LOSSES	69,591			
<b>IV PERFORMANCE OF COMPANY ( AMOUNT IN RS. THOUSANDS ):</b>				
TURNOVER	689	TOTAL EXPENDITURE	679	
LOSS BEFORE TAX	11	LOSS AFTER TAX	11	
EARNINGS PER SHARE	-	DIVIDEND RATE	NIL	
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY</b>				
ITEM CODE	85249009.10			
PRODUCT DESCRIPTION	SOFTWARE DEVELOPMENT / TRAINING			
Schedules referred to above Form an Integral part of Accounts				
As per our Report of Even Date				
For Venkata Pavan Kumar & Co.,			For and on behalf of the Board of Directors	
Chartered Accountants ,				
Firm Regn. No . 011599S				
Sd/-		Sd/-	Sd/-	
(A.V. PAVAN KUMAR)		(N.V.RAMA RAJU)	(S.P.NANDAN)	
Partner		Managing Director	Director	
Membership No . 215902				
Place : Hyderabad				
Date : 29-11-2010				

CASH FLOW STATEMENT FOR THE YEAR ENDED		As at	30.06.2010	
	As at	30.06.2010	As at	30.06.2009
<b>CASH FROM OPERATING ACTIVITIES</b>				
Net profit ( Loss)		10,849		10,889
Adjustments for				
Depreciation	352,426		453,425	
Bad Debts/ Advances/ Balances Written off etc	-		-	
Adjustments of Secured over draft with int receivable	-		-	
Adjustments of Debit / Credit Balances	-		-	
Miscellaneous Exp - Amortised	-		-	
		<u>352,426</u>		<u>453,425</u>
<b>Operating profit before working capital changes</b>		<b>363,275</b>		<b>464,314</b>
Adjustments for				
Inventories				
Deferred revenue expenditure	-		-	
Increase in debtors	(350,000)		(600,000)	
Loans, Advances and Other Current Assets Adj	-		-	
Current Liabilities	-		(42,500)	
		<u>(350,000)</u>		<u>(642,500)</u>
<b>Cash Generated from operations</b>		<b>13,275</b>		<b>(178,186)</b>
Income tax refund received / (Paid)		-		-
<b>Net Cash From Operating Activities</b>		<b>13,275</b>		<b>(178,186)</b>
<b>CASH FROM INVESTING ACTIVITIES</b>				
Purchase of Assets				
Proceeds from Sale of assets				
<b>Net Cash From Investing Activities</b>		<u>-</u>		<u>-</u>
		<b>13,275</b>		<b>(178,186)</b>
<b>CASH FROM FINANCING ACTIVITIES</b>				
Interest on Term Loans and Others				
Repayment of long term borrowings	-		-	
Repayment of Short term borrowings	-		-	
Repayment of Short term borrowings	-		-	
<b>Net Cash From ( Used in )/ Financing Activities</b>		<u>-</u>		<u>-</u>
Net Increase/ Decrease in Cash and Cash Equivalents		<u>13,275</u>		<u>(178,186)</u>
Cash and Cash Equivalents - Opening balance		161,359		339,546
Cash and Cash Equivalents - Closing balance		174,634		161,360

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

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

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

Sd/-  
(S.P.NANDAN)  
Director

Place : Hyderabad

Date : 29-11-2010



**BARON INFOTECH LIMITED**

*Regd.Off: 1-8-303/27, 3<sup>rd</sup> floor Om Plaza, Sindhi Colony, P. G. Road,  
Secunderabad 500 003., Andra 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 13<sup>th</sup> Annual General Meeting of the Company  
to be held on Wednesday, **the 29<sup>th</sup> December, 2010** at 11.00 A.M at **1-8-303/27, 3<sup>rd</sup> floor Om Plaza,  
Sindhi Colony, P. G. Road, Secunderabad 500 003** and at any adjournment thereof.

Signed this.....day of.....2010



Affix Rs.1/- Revenue

Stamp

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

**BARON INFOTECH LIMITED**

*Regd.Off: 1-8-303/27, 3<sup>rd</sup> floor Om Plaza, Sindhi Colony, P. G. Road,  
Secunderabad 500 003., Andra Pradesh.*

**ATTENDANCE SLIP**

13<sup>th</sup> Annual General Meeting **29<sup>th</sup> December, 2010** 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 13<sup>th</sup> Annual General Meeting of the Company at at **1-8-303/27, 3<sup>rd</sup> floor Om Plaza, Sindhi Colony, P. G. Road, Secunderabad 500 003** on Wednesday, the **29<sup>th</sup> December, 2010** .

\_\_\_\_\_  
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