



## Baron Infotech Limited

CIN No.: L72200TG1996PLC025855  
1-8-313, 4th Floor, Linus Building,  
Chiran Fort Lane, Begumpet, Secunderabad.  
Tel : 040-32492514  
E-mail : info@baroninfotech.com  
URL : www.baroninfotech.com

Date: 08.09.2020

To  
Corporate Relationship Department  
BSE Limited  
1st Floor, Rotunda Building,  
P.J. Towers, Dalal Street,  
Mumbai – 400 001

Dear Sir/ Ma'am

**Sub: Submission of Annual Report along with the Notice of Annual General Meeting for the FY 2019-20**

**Ref.: Regulation 34(1) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015**

**Scrip Code: 532336; Stock Symbol: BARONINF**

With reference to the cited subject and pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Annual Report of the Company for the financial year 2019-20, together with the Notice of the 23<sup>rd</sup> Annual General Meeting (AGM) to be held on Wednesday, the 30<sup>th</sup> of September, 2020 at 10:00 A.M. at 504, Micasa Flora, Durga Enclave, Kompally, Hyderabad.

The schedule of the AGM is set out below:

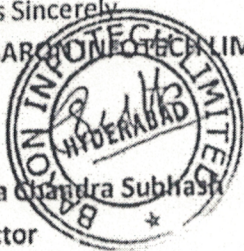
Event	Event Details
Date and Time of AGM	30 <sup>th</sup> September, 2020 at 10:00 A.M.
Mode	Physical
Cut-off date for e-voting	24 <sup>th</sup> September, 2020
E-voting start date and time	27 <sup>th</sup> September, 2020 at 09:00 A.M.
E-voting end date and time	29 <sup>th</sup> September, 2020 at 05:00 P.M.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours Sincerely  
For BARON INFOTECH LIMITED

Dutta Chandra Subhash  
Director



# **Baron Infotech Limited**



**23<sup>rd</sup> ANNUAL REPORT**

**2019-20**



**CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	Mr. Bharani Ganapavarapu, Chairman & Whole-time Director Mr. Dutta Chandra Subhash, Independent Director Ms. Kamala Kumari Nadimpally, Independent Director Mr. Vishnu Vardhan Reddy Billa, Independent Director Mr. Pokuri Srinivasa Rao, Independent Director
<b>BOARD COMMITTEES</b>	<p><b>Audit Committee:</b> Ms. Kamala Kumari Nadimpally, Chairperson Mr. Dutta Chandra Subhash Mr. Vishnu Vardhan Reddy Billa</p> <p><b>Nomination and Remuneration Committee:</b> Mr. Pokuri Srinivasa Rao, Chairperson Mr. Dutta Chandra Subhash Mr. Vishnu Vardhan Reddy Billa</p> <p><b>Stakeholders' Grievance Committee:</b> Mr. Dutta Chandra Subhash, Chairperson Mr. Bharani Ganapavarapu Mr. Pokuri Srinivasa Rao</p>
<b>STATUTORY AUDITORS</b>	<b>M/s NSVR &amp; Associates LLP</b> , Chartered Accountants, Flat No.: 202, Plot No.: 28, Panchavati Co-op. Society, Road No.: 10, Banjara Hills, Hyderabad- 500034
<b>SECRETARIAL AUDITORS</b>	<b>M/s P.S. Rao &amp; Associates</b> , Company Secretaries, D. No.: 6-3-347/22/2, Flat No.: 10, 4 <sup>th</sup> Floor, Ishwarya Nilayam, Dwarakapuri Colony, Panjagutta, Hyderabad- 500082
<b>REGISTERED OFFICE</b>	<p><b>Registered Office:</b> 1-8-313, 4<sup>th</sup> Floor, Linus Building, Chiran Fort Lane, Begumpet, Secunderabad, Hyderabad – 500003 CIN: L72200TG1996PLC025855 Website: <a href="http://www.baroninfotech.com">www.baroninfotech.com</a> E-mail: <a href="mailto:info@baroninfotech.com">info@baroninfotech.com</a> Tel.: +91 040 32492514</p>
<b>BANKERS</b>	<b>Axis Bank Limited</b> , Banjara Hills, Road No. 1, Hyderabad
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	<b>Venture Capital and Corporate Investments Private Limited</b> , 12-10-167, Bharat Nagar, Hyderabad- 500018

## NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of the Baron Infotech Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 10:00 A.M. at 504, Micasa Flora, Durga Enclave, Kompally, Secunderabad – 500014 to transact the following business:

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### Ordinary business:

#### **Item No: 1**

#### **Adoption of Financial Statements**

To receive, consider, approve and adopt the Financial Statements for the year ended 31<sup>st</sup> March, 2020 including Audited Balance sheet as at 31<sup>st</sup> March, 2020 and the statement of Profit and Loss of the Company for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.

#### **Item No: 2**

#### **Re-appointment of Director**

To appoint a director in place of Mr. Bharani Ganapavarapu (DIN: 08631433), who retires by rotation, and being eligible, offers himself for re-appointment.

#### **Item No: 3**

#### **Re-Appointment of Statutory Auditors**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or any re-enactments(s) thereof for the time being in force), M/s. NSVR & Associates LLP, Chartered Accountants, (Registration No. 008801S/S200060), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five (05) consecutive years to hold office from the date of conclusion of this meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2025, on such terms and conditions and at such remuneration, including reimbursement of all out of pocket expenses in connection with the audit, as may be mutually decided between the Auditors and the Board of Directors.”

### Special Business:

#### **Item No: 4**

#### **Appointment of Mr. Bharani Ganapavarapu as a Whole-Time Director of the Company:**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the recommendation of the Nomination and

Remuneration Committee, the consent of the members be and is hereby accorded to appoint Mr. Bharani Ganapavarapu (DIN: 08631433) as a Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded to appoint Mr. Bharani Ganapavarapu (DIN: 08631433) as Whole-Time Director of the Company for a period of five (05) years w.e.f. 07.12.2019, at NIL remuneration and on such terms and conditions as the Board may decide from time to time.”

#### **Item No. 5**

##### **Re-appointment of Ms. Kamala Kumar Nadimpally as an Independent Director of the Company:**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 & 152 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee, Ms. Kamala Kumari Nadimpally (DIN: 07142555) who was appointed as an Independent Director at the 18<sup>th</sup> Annual General Meeting (“AGM”) for a term of five (05) years to hold office up to the ensuing AGM and who is eligible for re-appointment and who meets the criteria as specified in the Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member under Section 160(1) proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (05) years to hold office up to the 28<sup>th</sup> AGM of the Company to be held in the year 2025.”

#### **Item No. 6**

##### **Re-appointment of Mr. Pokuri Srinivasa Rao as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 & 152 and other applicable provisions, if any of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee, Mr. Pokuri Srinivas Rao (DIN: 07151066), who was appointed as an Independent Director at the 18<sup>th</sup> Annual General Meeting for a term of Five (05) years to hold office up to the ensuing AGM and who is eligible for re-appointment and who meets the criteria of independence as specified in the Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) proposing his candidature for the office of the Director, be and is hereby re-appointed as Independent Director of the Company,

not liable to retire by rotation, for a second term of five (05) years to hold office up to the 28<sup>th</sup> AGM of the Company to be held in the year 2025.”

**Item No. 7**

**Re-appointment of Mr. Vishnu Vardhan Reddy Billa as an Independent Director of the Company:**

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150 & 152 and other applicable provisions, if any of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17, 25 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee, Mr. Vishnu Vardhan Reddy Billa (DIN: 07151065), who was appointed as an Independent Director at the 18<sup>th</sup> Annual General Meeting for a term of Five (05) years to hold office up to the ensuing AGM and who is eligible for re-appointment and who meet the criteria of independence as specified in the Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office up to the 28<sup>th</sup> AGM of the Company to be held in the year 2025”

**By order of the Board of Directors**

Bharani Ganapavarapu  
Chairman & Whole-time Director  
DIN: 08631433

Date: 05.09.2020

Place: Hyderabad

**Registered Office:**

1-8-313, 4<sup>th</sup> Floor, Linus Building,  
Chiran Fort Lane, Begumpet,  
Secunderabad, Hyderabad – 500 003  
CIN: L72200TG1996PLC025855  
Website: [www.baroninfotech.com](http://www.baroninfotech.com)  
E-mail: [info@baroninfotech.com](mailto:info@baroninfotech.com)  
Tel.: +91040 32492514

**Notes:**

1. A statement, pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Annual General Meeting (“the Meeting”) is annexed hereto.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf and such proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other member.

3. The instrument of proxy, in order to be effective, must be deposited at the registered office of the Company not later than FORTY-EIGHT HOURS before the commencement of the Meeting.
4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. Members holding shares in physical form may obtain nomination forms from the Company’s Registrar & Share Transfer Agent (RTA) and members holding shares in electronic form may obtain the same from their respective Depository Participants.
6. Members holding shares in physical form may write to the Company’s RTA for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
7. Members holding shares in identical order of names in more than one folio are requested to write to the Company’s RTA enclosing their certificates to enable consolidation of their shareholdings in one folio.
8. The Securities and Exchange Board of India (“the SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in the

securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.

9. The SEBI has also mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. 01st April, 2019. Accordingly, the Company’s RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialization.



10. Members, Proxies and Authorized representatives are requested to bring the duly filled Attendance Slip attached herewith and their copies of the Annual Report to the Meeting. Copies of Annual Report will not be provided at the Meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and the Register of contracts or arrangements in which directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the Company's registered office during normal business hours on working days, as well as at the venue of the Meeting.
12. The Register of members and Share Transfer Books will remain closed from 22nd September, 2020 to 30th September, 2020 (both days inclusive) in connection with the Annual General Meeting (AGM).
13. As part of the 'Green Initiative', the Notice of the AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of the AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or the Depository Participant(s). Members who have received the Notice of the AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit the duly filled Attendance Slip at the registration counter to attend the AGM.
14. Members may also kindly note that the Notice of the 23<sup>rd</sup> Annual General Meeting and the Annual Report for the FY 2019-20 are available on the Company's website: [www.baroninfotech.com](http://www.baroninfotech.com). The physical copies of the Notice, along with its accompanying documents and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, are also available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information or having any queries may write to the Company at: [info@baroninfotech.com](mailto:info@baroninfotech.com).

15. Retirement of Director by rotation:

Mr. Bharani Ganapavarapu, Whole-time Director of the Company, retires by rotation at the ensuing AGM and being, eligible, offers himself for re-appointment.

The Board of Directors commends the re-appointment of Mr. Bharani Ganapavarapu as a Director, liable to retire by rotation.

16. Please refer to the following detailed instructions on the modes of voting:

**A. Voting through electronic means:**

In accordance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing the members facility to exercise their right to vote electronically, through the e-voting services provided by the National Securities Depository Limited (NSDL).

The instructions and other information for e-voting are as under:

1. Open the attached PDF file 'Baron\_AR\_19-20.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
3. Click on Shareholder-Login.
4. If you are already registered with NSDL for e-voting, you can use your existing user ID and password.
5. If you are logging in for the first time, please enter the user ID and password provided in the attached PDF file as initial password.
6. The 'Password Change Menu' will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
7. Once the e-voting homepage opens, click on 'e-voting' > 'Active Voting Cycles'.
8. Select 'EVEN' (**E-voting Event Number:114397**) of Baron Infotech Limited. Now you are ready for e-voting as the 'Cast Vote' page opens.
9. Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.
10. Upon confirmation, the message 'Vote cast successfully' will be displayed.
11. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently.
12. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority Letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csvanitha19@gmail.com](mailto:csvanitha19@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
13. The voting period begins on 27-09-2020 (09:00 A.M.) and ends on 29-09-2020 (05:00 P.M.). During this period, shareholders of the Company holding shares either in physical mode or in dematerialized mode, as on 24th September, 2020 (cut-off date) may cast their vote accordingly. The e-voting module shall be disabled by NSDL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions (FAQs) and the e-voting manual available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Alternatively, you may write an email to the mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. Other instructions:**

1. The voting rights of shareholders shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 24<sup>th</sup> September, 2020.
2. Mrs. N. Vanitha, Practicing Company Secretary (C.P. No.: 10573), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. Kindly note that Members are requested to opt for one mode of voting, i.e., voting either through e-voting or postal ballot. If a member casts votes by both modes, then voting done through a valid e-voting shall prevail and physical ballot form voting of that member shall be treated as invalid.
4. The Scrutinizer will, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting through Ballot Papers and will collate the same with the votes downloaded from the e-voting system to arrive at the final result for each of the resolutions forming part of the Notice of the AGM of the Company. Thereafter, the scrutinizer will submit, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report on the total votes cast in favor of or against, if any, the resolutions to the Chairman or a person authorized by him in writing who will countersign the same. The Chairman or the person authorized by him in writing will declare the result of voting forthwith.
5. The results declared, along with the Scrutinizer's Report, shall be communicated to the Stock Exchanges where the shares of the Company are listed, i.e. BSE Limited.
6. Members may address any query to Mr. Kanchan Sharma, Compliance Officer, at the e-mail address: [info@baroninfotech.com](mailto:info@baroninfotech.com); Website: [www.baroninfotech.com](http://www.baroninfotech.com).

**By order of the Board of Directors**

Bharani Ganapavarapu  
Chairman & Whole-time Director

DIN: 08631433

Date: 05.09.2020

Place: Hyderabad

**Registered Office:**

1-8-313, 4<sup>th</sup> Floor, Linus Building,  
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Tel.: +91040 32492514

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 15(3) OF THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014**

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**Item No. 4****Appointment of Mr. Bharani Ganapavarapu as Whole-Time Director of the Company:**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 09<sup>th</sup> December, 2019, co-opted Mr. Bharani Ganapavarapu as an Additional Director w.e.f. 09.12.2019. The Board, subject to the approval of the shareholders, further appointed him as a Whole-time Director for a period of Five (05) years w.e.f. 09.12.2019.

As per the provisions of Section 161(1), the term of office of Mr. Bharani Ganapavarapu as Additional Director comes to an end at the ensuing Annual General Meeting (AGM). Further, the provisions of sub-section (4) of Section 196, his appointment by the Board as a Whole-time Director requires approval of the shareholders.

The Company has received a Notice in writing from one of the members under Section 160(1) proposing that Mr. Bharani Ganapavarapu be appointed as Director.

Pursuant to the provisions of Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-II), the profile of Mr. Bharani Ganapavarapu is provided in the annexure to this Notice.

As Mr. Bharani Ganapavarapu has been appointed as Whole-time Director at NIL remuneration, the provisions of Section 197 read with Schedule II to the Act are not applicable to his appointment and hence, the details to be furnished under the said Schedule are not being provided.

The resolution set out at Item No. 04 of the accompanying Notice seeks the approval of the members for the appointment of Mr. Bharani Ganapavarapu as Whole-time Director for a period of Five (05) years w.e.f. 09<sup>th</sup> December, 2019 by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Bharani Ganapavarapu, being the appointee, is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set out at Item No. 04 of the accompanying Notice for the approval of the members.

**Item No. 5****Re-appointment of Ms. Kamala Kumari Nadimpally (DIN: 07142555) as an Independent Director of the Company.**

At the 18th Annual General Meeting of the Company held on 30th September, 2015, the members of the Company had appointed Mrs. Kamala Kumari Nadimpally (DIN: 07142555) as an Independent Director of the Company for a term of five years to hold office up to 29th September, 2020.

The Nomination and Remuneration Committee (NRC), on the basis of the report of annual performance evaluation, has recommended re-appointment of Mrs. Kamala Kumari Nadimpally as an Independent Director on the Board of the Company, for a second term of five years.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that the continued association of Mrs. Kamala Kumari Nadimpally would be beneficial to the Company. Accordingly, it is proposed to re-appoint Mrs. Kamala Kumari Nadimpally as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years. Mrs. Kamala Kumari Nadimpally is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013, and has given his consent to act as a Director of the Company.

The Company has received a notice from a member of the Company, in terms of Section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Mrs. Kamala Kumari Nadimpally for the office of Independent Director of the Company.

The Company has also received a declaration from Mrs. Kamala Kumari Nadimpally that she meets the criteria of independence as stated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mrs. Kamala Kumari Nadimpally fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mrs. Kamala Kumari Nadimpally is independent of the management of the Company.

Pursuant to the provisions of Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-II), the profile of Mrs. Kamala Kumari Nadimpally is provided in the Annexure to this Notice.

Copy of draft letter of appointment of Mrs. Kamala Kumari Nadimpally setting out the terms and conditions of appointment is available for inspection by the members free of cost at the registered office of the Company.

Except Mrs. Kamala Kumari Nadimpally, being the appointee director, and his relatives (to the extent they hold shares in the Company, if any), none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

#### **Item No. 6**

##### **Re-appointment of Mr. Pokuri Srinivasa Rao (DIN: 07151066) as an Independent Director of the Company.**

At the 18th Annual General Meeting of the Company held on 30th September, 2015, the members of the Company had appointed Mr. Pokuri Srinivasa Rao (DIN: 07151066) as an Independent Director of the Company for a term of five years to hold office up to 29th September, 2020.

The Nomination and Remuneration Committee (NRC), on the basis of the report of annual performance evaluation, has recommended re-appointment of Mr. Pokuri Srinivasa Rao as an Independent Director on the Board of the Company, for a second term of five years.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that the continued association of Mr. Pokuri Srinivasa Rao would be beneficial to the Company. Accordingly, it is proposed to re-appoint Mr. Pokuri Srinivasa Rao as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years.

Mr. Pokuri Srinivasa Rao is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013, and has given his consent to act as a Director of the Company.

The Company has received a notice from a member of the Company, in terms of Section 160 of the Companies Act, 2013 (“the Act”) proposing the candidature of Mr. Pokuri Srinivasa Rao for the office of Independent Director of the Company.

The Company has also received a declaration from Mr. Pokuri Srinivasa Rao that he meets the criteria of independence as stated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mr. Pokuri Srinivasa Rao fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Pokuri Srinivasa Rao is independent of the management of the Company.

Pursuant to the provisions of Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-II), the profile of Mr. Pokuri Srinivasa Rao is provided in the Annexure to this Notice.

Copy of draft letter of appointment of Mr. Pokuri Srinivasa Rao setting out the terms and conditions of appointment is available for inspection by the members free of cost at the registered office of the Company.

Except Mr. Pokuri Srinivasa Rao, being the appointee director, and his relatives (to the extent they hold shares in the Company, if any), none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

#### **Item No. 7**

##### **Re-appointment of Mr. Vishnu Vardhan Reddy Billa (DIN: 07151065) as an Independent Director of the Company.**

At the 18th Annual General Meeting of the Company held on 30th September, 2015, the members of the Company had appointed Mr. Vishnu Vardhan Reddy Billa (DIN: 07151065) as an Independent Director of the Company for a term of five years to hold office up to 29th September, 2020.

The Nomination and Remuneration Committee (NRC), on the basis of the report of annual performance evaluation, has recommended re-appointment of Mr. Vishnu Vardhan Reddy Billa as an Independent Director on the Board of the Company, for a second term of five years.

The Board, based on the performance evaluation and as per the recommendation of the NRC, considers that the continued association of Mr. Vishnu Vardhan Reddy Billa would be beneficial to the Company. Accordingly, it is proposed to re-appoint Mr. Vishnu Vardhan Reddy Billa as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years.

Mr. Vishnu Vardhan Reddy Billa is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013, and has given his consent to act as a Director of the Company.

The Company has received a notice from a member of the Company, in terms of Section 160 of the Companies Act, 2013 (“the Act”) proposing the candidature of Mr. Vishnu Vardhan Reddy Billa for the office of Independent Director of the Company.

The Company has also received a declaration from Mr. Vishnu Vardhan Reddy Billa that he meets the criteria of independence as stated in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mr. Vishnu Vardhan Reddy Billa fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Vishnu Vardhan Reddy Billa is independent of the management of the Company.

Pursuant to the provisions of Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings (SS-II), the profile of Mr. Vishnu Vardhan Reddy Billa is provided in the Annexure to this Notice.

Copy of draft letter of appointment of Mr. Vishnu Vardhan Reddy Billa setting out the terms and conditions of appointment is available for inspection by the members free of cost at the registered office of the Company.

Except Mr. Vishnu Vardhan Reddy Billa, being the appointee director, and his relatives (to the extent they hold shares in the Company, if any), none of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

*Annexure*

Details of Directors seeking appointment/ re-appointment, pursuant to the provisions of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standards on General Meetings (SS-II):

<b>a</b>	<b>Name</b>	<b>Mr. Bharani Ganapavarapu</b>	<b>Ms. Kamala Kumari Nadimpally</b>	<b>Mr. Pokuri Srinivasa Rao</b>	<b>Mr. Vishnu Vardhan Reddy Billa</b>
<b>b</b>	<b>Brief Resume</b>				
i	Age	42 years	69 years	39 years	49 years
ii	Qualification	Master's Degree in Business Administration (MBA) from Andhra University	Bachelor's Degree in Commerce (B.Com)	Bachelor in Science (B. Sc)	Bachelor's Degree in Commerce (B.Com)
iii	Nature of expertise and experience in specific functional areas	Over 15 years of vast experience in Sales & Marketing and Business Development.	Over 20 years of experience in Operations & Management.	Over 11 years of experience in the field of Information and Technology.	Over 18 years of experience in Strategy & Finance.
c	Date of first appointment on the Board of the Company	07.12.2019	30.03.2015	17.04.2015	17.04.2015
d	Last remuneration drawn	Nil	Nil	Nil	Nil
e	Relationship with other Director(s), Manager(s) or KMP(s) of the Company	Nil	Nil	Nil	Nil
f	Shareholding in the Company	Nil	Nil	Nil	Nil



g	Terms and conditions of appointment/ re-appointment along with details of remuneration sought to be paid	Whole-time Director liable to retire by rotation.  Other terms and conditions as may be decided by the Board from time to time.  Remuneration: NIL	As set out in the resolution for her re-appointment.  Remuneration (by way of sitting fees or profit-related commission) sought to be paid: NIL	As set out in the resolution for his re-appointment.  Remuneration (by way of sitting fees or profit-related commission) sought to be paid: NIL	As set out in the resolution for his re-appointment.  Remuneration (by way of sitting fees or profit-related commission) sought to be paid: NIL
h	Number of meetings of the Board attended during the year	01 <sup>‡</sup>	06	06	06
i	Names of other companies in which directorship is held*	Nil	Nil	Nil	Nil
j	Chairmanship or membership on the Committees of Boards of other companies	Nil	Nil	Nil	Nil

<sup>‡</sup>Mr. Bharani Ganapavarapu was entitled to attend only 01 Board meeting held post his appointment \*excluding Foreign and Section 8 companies

**DIRECTORS' REPORT**

**Dear Members,**

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report of Baron Infotech Limited ("the Company") along with the Financial statements for the financial year ended 31<sup>st</sup> March, 2020.

**FINANCIAL SUMMARY:**

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2020 is summarized below:

(Rs in Lakhs)

PARTICULARS	for the year ended	
	31-03-2020	31-03-2019
Total Income for the year	8.83	5.48
Profit before finance costs and exceptional items	(0.78)	(7.80)
Less: (a) Current tax	-	-
(b) Deferred tax	-	13.54
Net Profit for the year	(0.78)	(21.34)
Total other Comprehensive income for the year	-	-
Total Comprehensive income for the year	(0.78)	(21.34)

**STATE OF AFFAIRS/ REVIEW OF OPERATIONS:**

The Company has been in the process of developing solutions. Some of the applications developed have been given to customers for exploring market possibilities. The Company is expecting revenues to be generated on successful launch of any such application. Till then, the amount spent in developing and marketing such applications is being treated as expense.

**SUBSIDIARIES/ ASSOCIATES / JOINT VENTURES**

The Company has no subsidiaries/ associate companies/ joint ventures; a statement pertaining to same, in Form No. AOC-1, is enclosed to this Report as **ANNEXURE-IV**.

**DIVIDEND**

In the absence of profits, your directors do not recommend dividend for the financial year 2019-20.

**RESERVES**

In the absence of profits, no amount is proposed to be transferred to the General Reserves of the Company.

## CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company is duly constituted with an optimum combination of Executive and Non-Executive Directors, including a Woman Director, with the Whole-time Director being the Chairman and the Independent Directors forming majority.

During the year under review, the following changes took place in the Board of Directors and Key managerial personnel of the Company:

1. Mr. Surampudi Pavan Nadan (DIN: 02187696), Whole-Time Director, tendered his resignation from the office of Whole-Time Director of the Company w.e.f. 09<sup>th</sup> December, 2019.
2. Mr. Bharani Ganapavarapu (DIN: 08631433) was co-opted as Additional Director and, subject to the approval of the members, further appointed as Whole-Time Director w.e.f. 09<sup>th</sup> December, 2019.
3. Ms. Kanchan Sharma was appointed as the Company Secretary and Compliance Officer w.e.f. 25<sup>th</sup> October, 2019.
4. Mr. Nageswara Rao Sabbarapu was appointed as the Chief Financial Officer w.e.f. 14<sup>th</sup> November, 2019.

In terms of Section 152 of the Companies Act, 2013 ("the Act"), Mr. Bharani Ganapavarapu (DIN: 08631433) retires by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment.

Approval of the members is also sought for appointment of Mr. Bharani Ganapavarapu (DIN: ) as Whole-Time Director under Section 196 of the Act.

Pursuant to the provisions of Section 149 of the Act and the resolutions passed by the shareholders of the Company at the 18<sup>th</sup> AGM held on 30<sup>th</sup> September, 2015, the term of office of Mrs. Kamala Kumari Nadimpally (DIN: 07142555), Mr. Pokuri Srinivasa Rao (07151066) and Mr. Vishnu Vardhan Reddy Billa (07151065) as Independent Directors comes to an end at the ensuing AGM. Approval of the members is sought for their re-appointment as Independent Directors for a 2<sup>nd</sup> term of Five (05) consecutive years.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Your Director's state that:

- I. in preparation of the final accounts for the financial year 2019-20, the applicable accounting standards read with requirements set out in Schedule III of the Companies Act, 2013 have been followed and proper explanations relating to material departures therefrom, if any, have been provided;
- II. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of state of affairs of the Company at the end of the financial year 2019-20 and profit and loss of the Company for that period;

- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- IV. they have prepared the annual accounts on a going concern basis; and
- V. they have laid down the internal financial controls to be followed by the Company and that such financial controls are adequate and operating effectively.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given declarations, pursuant to Section 149(7) of the Companies Act ("the Act"), affirming that they meet the criteria of independence as set out in the Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")

#### **POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER MATTERS**

Pursuant to the provisions of Section 178(3) of the Act, the Board of Directors has, on the recommendation of Nomination and Remuneration Committee (NRC), formulated a 'Nomination and Remuneration Policy' for determining the qualifications, positive attributes and independence of directors as well as remuneration to be paid to the directors, key managerial personnel and other employees.

The Nomination and Remuneration Policy of the Company is disclosed in the **ANNEXURE-III** to this Report.

#### **FORMAL ANNUAL PERFORMANCE EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, as well as that of its Committees and individual directors pursuant to the provisions of Section 134, 178 and Schedule IV of the Act. A structured set of criteria was adopted after taking inputs received from the directors, covering various aspects of the Board's functioning such as adequacy of composition of the Board and its Committees, execution and performance of specific duties by the Board of Directors, independence governance, ethics and values, attendance and contribution at the meetings, etc.

Pursuant to the Regulation 17 read with Schedule V to the Listing Regulations, the performance of the Independent Directors was evaluated by Board after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed and evaluated the performance of the individual directors on the basis of criteria such as preparedness on the issues to be discussed in the Board and Committee meetings, meaningful and constructive inputs provided and contribution made by them therein, etc.

In a separate meeting of Independent Directors held on 14<sup>th</sup> February, 2020, the performance of the Non-Independent directors, the Board as a whole and the Chairman of the Board was evaluated, taking into the views of

executive directors and non-executive directors, excluding the director being evaluated the quality, the quantity and the timeliness of the flow of information between the Company's management and the Board which enables the Board to perform its functions reasonably and effectively.

#### **NUMBER OF MEETINGS OF THE BOARD**

Regular meetings of the Board were held during the year to discuss various business policies and strategies. The Board of Directors met Six (06) times during the year 2019-20. The particulars of the meetings held and attended by each of the directors are detailed in the Corporate Governance Report forming part of this Report.

#### **PARTICULARS OF EMPLOYEES**

By virtue of limited operations carried during the year, only 03 permanent employees were employed by the Company during the said period. Likewise, no remuneration was paid to any employee or Director. Hence, the particulars as stipulated under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014 are not being disclosed.

The statement pursuant to the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, showing the names and other details of the top ten employees of the Company in terms of remuneration drawn and such other employees drawing remuneration in excess of the amount prescribed under such Rules is not required to be furnished as, like stated hereinabove, no employee was in receipt of any remuneration during the year under review.

#### **VIGIL MECHANISM**

In terms of Section 177(9) of the Companies Act, 2013, the Company has established a vigil mechanism for directors and employees to report a genuine concern of violations or illegal or unethical behavior. The Vigil mechanism provides for adequate safeguards against victimization of directors and employees who avail the mechanism and also provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

#### **RISK MANAGEMENT POLICY**

The Board of Directors has framed and adopted a Risk Management Policy that identifies various elements of risks which, in its opinion, may threaten the existence of the Company, as well as contains measures to control and mitigate the same.

#### **CORPORATE SOCIAL RESPONSIBILITY**

As the Company did not fall under the purview of sub section (1) of Section 135 of the Companies Act, 2013 during the year, the provisions of the Corporate Social Responsibility as set out in the said section were not applicable to it and accordingly, it has not made any contributions towards CSR activities.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment and has zero tolerance toward sexual harassment at the work place.

In accordance with the Sexual Harassment of Woman at Workplace (Prevention, prohibition and redressal) Act, 2013 and Rules made thereunder, the Company has put in place a policy for prevention of sexual harassment at workplace and has also constituted an Internal Complaints Committee to take cognizance of complaints relating to sexual harassment as well as to take necessary actions thereon. During the year under review, no complaints in relation to sexual harassment were received by the Company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or provided any security under Section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

In terms of section 188(2) and 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties during the year 2019-20 are detailed in Form AOC -2 forming part of this Report as **ANNEXURE – V**.

The Related party disclosures as specified in Regulation 34(3) read with Para A of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (“the Listing Regulations”) are enclosed to this Report as **ANNEXURE – VI**.

## EXTRACT OF ANNUAL RETURN

In accordance with provisions of Section 92 and Section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return in Form MGT - 9 is enclosed as **ANNEXURE – I** to this Report.

## CORPORATE GOVERNANCE

A report on Corporate Governance as specified in Section 134(3) containing the matters specified in Para C of Schedule V of the Listing Regulations forms part of this Report as **ANNEXURE – II**. The requisite certificate from Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the said Corporate Governance Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) of the Listing Regulations is presented as **ANNEXURE - VIII** to this Report

## AUDITORS

### Statutory Auditors:

NSVR & Associates LLP, Chartered Accountants (Firm Registration No: 00801S/S200060), were appointed as the Statutory Auditors of the Company for a term of Five (05) years at the 18<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 and their term of office comes to an end at the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, M/s NSVR & Associates LLP are proposed to be re-appointed as the Statutory Auditors of the Company at the ensuing Annual General Meeting for a second term of Five (05) consecutive years to hold office till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2025.

The Report of the Statutory Auditors on the financials of the Company for the financial year 2019-20 form part of the financial statements forming part of the Annual Report and contain no observation qualification or adverse remarks.

### Secretarial Auditors:

In accordance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors, pursuant to the recommendations of Audit Committee, had appointed M/s P.S. Rao & Associates, Companies Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2019-20 issued by the Secretarial Auditors is enclosed herewith as **ANNEXURE – VII**.

### Director's comments on the qualifications made by the Secretarial Auditors in their Audit Report:

- 1. Certain members of the Promoter group have not complied with the provisions of SEBI Circular No. CIR/ISD/3/2011 which requires all the shares of Promoters and Promoter Group to be in dematerialized form. Further, certain members of the Promoter Group having shares in physical mode have not provided their PAN and bank account details, as required by SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.*

The concerned promoters/ members of the promoter group have not responded to the Company's request asking them to provide their PAN and bank account details and to get their shares dematerialized despite persistent efforts made by the Company.

- 2. BSE Limited had, in accordance with circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019, suspended trading in the equity shares of the Company w.e.f. March 01, 2020 on account of non-payment of Annual Listing Fee(ALF). Subsequent to the company clearing all the ALF dues, the suspension imposed by BSE was lifted and the shares of the company have become eligible for trading, albeit on Trade-to-Trade basis.*

The subsisting Annual Listing Fees (ALF) dues have been cleared by the Company and as such, there are no arrears of ALF pending to be paid by the Company. Subsequent to payment of ALF dues by the Company, the suspension imposed by BSE was lifted and the shares of the Company have become eligible for trading, albeit on Trade-to-Trade basis. Further, pursuant to the recommendations of the Audit Committee, the Board of

Directors has appointed M/s P.S. Rao & Associates, Companies Secretaries, to conduct the Secretarial Audit for the FY 2020-21.

**Internal Auditor:**

The Board of Directors, on the recommendation of the Audit Committee, has appointed Ms. Sravanthi Karuturi, Chartered Accountant (M. No 239567), as the Internal Auditor of the Company for the Financial year 2020-21.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has Internal Control Systems commensurate with size, scale and complexity of its operations.

The Board of Directors have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Based on the framework of internal financial controls and compliance systems established and maintained by the company; work performed by the statutory and secretarial auditors, including audit of internal financial control over financial reporting by the statutory auditors and reviews performed by the management and Audit Committee, the Board of Directors is of the opinion that the Companies internal financial controls were adequate and effective during the financial year 2019-20.

**CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EARNINGS AND OUTGO**

The information on Energy Conservation, Technological Absorption and Forex earning/ outgo, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, to the extent applicable, is furnished in **ANNEXURE - IX** to this Report.

**SIGNIFICANT OR ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS WHICH IMPACT THE GOING CONCERN STATUS AND FUTURE OPERATIONS OF THE COMPANY**

In accordance with Circular No. LIST/COMP/OPS/ 16 /2019-2020 dated 11<sup>th</sup> June, 2019, BSE Limited (“the Stock Exchange”) suspended trading in the equity shares of the Company w.e.f. 01<sup>st</sup> March, 2020 on account of non-payment of Annual Listing Fees (ALF). The subsisting Annual Listing Fees (ALF) dues have been cleared by the Company and as such, there are no arrears of ALF pending to be paid by the Company. Subsequent to payment of ALF dues by the Company, the suspension imposed by BSE was lifted and the shares of the Company have become eligible for trading, albeit on Trade-to-Trade basis.



## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the Secretarial Standards I and II on Meetings of the Board as well as General Meetings, respectively, as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs.

## GENERAL DECLARATIONS

Your Directors state that, during the year under review:

1. The Company did not issue any equity shares with differential rights as to voting or otherwise
2. The Company did not issue equity shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Company has not accepted any deposits from public and as such, no amount of principal or interest on deposits from the public is outstanding as on the date of the balance sheet.
4. Maintenance of Cost records as specified by the Central government under section 148(1) of the Companies Act, 2013 is not required by the Company.
5. No fraud has been reported by the Auditors to the Audit Committee or Board of the Company.
6. No Company has become or ceased to be a subsidiary, an associate company or a joint venture of the Company.
7. Neither the Managing Director nor the Whole-time Director receives any remuneration or commission from any of the Company's subsidiaries – *The Company has no subsidiary*
8. There was no change in the nature of business of the Company.
9. No material changes and commitments, affecting the financial position of the Company took place between the end of the financial year and the date of this report.

## ACKNOWLEDGMENT

The Board of Directors acknowledges the support extended to the Company by its customers, investors, vendors, bankers and associates as well as by various governmental authorities and places on record its sincere appreciation and gratitude for the same.

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020  
Place: Hyderabad

**Annexure - I**
**Form No. MGT-9**
**Extract of Annual Return as on the financial year ended 31<sup>st</sup> March, 2020**

*[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i	Name of the Company	Baron Infotech Limited
ii	Corporate Identity Number (CIN)	L72200TG1996PLC025855
lii	Incorporation Date	02.12.1996
iv	Category/ Sub-category of the Company	Company limited by shares/ Non-government Company
v	Listed Company (Yes/ No)	Yes
vi	Address of the registered office & contact details	1-8-313, 4th Floor, Linus Building, Chiran Fort Lane, Begumpet, Secunderabad Hyderabad- 500003, Telangana Tel.: +91 40 32492514 E-mail: <a href="mailto:info@baroninfotech.com">info@baroninfotech.com</a> Website: <a href="http://www.baroninfotech.com">www.baroninfotech.com</a>
vii	Name, address and contact details of the Registrar & Transfer agent, if any	Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad- 500018 Tel.: +91 040-23818475/ 76/ 23868023 Fax: +91 040-23868024 Email: <a href="mailto:info@vccil.com">info@vccil.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sl. No.	Name and description of main products/ services	NIC Code of the product/ service	% of total turnover of the Company
1	Information and Communication	J6	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NA					

**IV. SHAREHOLDING PATTERN (Equity Share Capital break-up as a percentage of total equity):**
**i. Category-wise Shareholding:**

Category of Shareholders	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promote and Promoter Group:</b>									
<b>1. Indian:</b>									
a. Individuals/ HUF	0	10,59,200	10,59,200	10.38	0	10,59,200	10,59,200	10.38	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/ FIs	-	-	-	-	-	-	-	-	-
f. Others	-	-	-	-	-	-	-	-	-
<b>Sub-total A1:</b>	<b>0</b>	<b>10,59,200</b>	<b>10,59,200</b>	<b>10.38</b>	<b>0</b>	<b>10,59,200</b>	<b>10,59,200</b>	<b>10.38</b>	<b>-</b>
<b>2. Foreign:</b>									
a. NRI/ Individual	2,10,000	0	2,10,000	2.06	2,10,000	0	2,10,000	2.06	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FIs	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
<b>Sub-total A2:</b>	<b>2,10,000</b>	<b>0</b>	<b>2,10,000</b>	<b>2.06</b>	<b>2,10,000</b>	<b>0</b>	<b>2,10,000</b>	<b>2.06</b>	<b>-</b>
<b>Total shareholding of Promoters (A= A1 + A2)</b>	<b>2,10,000</b>	<b>10,59,200</b>	<b>12,69,200</b>	<b>12.44</b>	<b>2,10,000</b>	<b>10,59,200</b>	<b>12,69,200</b>	<b>12.44</b>	<b>-</b>
<b>B. Public</b>									
<b>1. Institutions:</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FIs	400	-	400	-	400	-	-	0	0
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
<b>Sub-total B1:</b>	<b>400</b>	<b>0</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-institutions:</b>	<b>1.12.908</b>	<b>0</b>	<b>1.12.908</b>	<b>1.11</b>	<b>1.12.908</b>	<b>0</b>	<b>1.12.908</b>	<b>1.11</b>	<b>0</b>

a. Body Corp.									
b. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs	39,70,838	12,34,589	52,05,427	51.03	39,33,047	12,33,489	51,66,536	50.65	0.38
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	16,56,366	18,35,605	34,91,971	34.24	16,56,366	18,35,605	34,91,971	34.24	0
c. Others:									
-Trust	1,700	0	1,700	0.02	1,700	0	1,700	0.02	0
- NRI	1,08,584	0	1,08,584	1.06	1,08,304	0	1,08,034	1.06	0
- Clearing members	9,810	0	9,810	0.01	8,510	0	8,510	0.8	0.2
<b>Sub-total B2:</b>	<b>58,60,206</b>	<b>30,70,594</b>	<b>89,30,800</b>	<b>87.56</b>	<b>58,60,206</b>	<b>30,70,594</b>	<b>89,30,800</b>	<b>87.56</b>	<b>0</b>
<b>Total Public Shareholding (B= B1 + B2)</b>	<b>58,60,606</b>	<b>30,70,194</b>	<b>89,30,800</b>	<b>87.56</b>	<b>58,61,706</b>	<b>30,69,094</b>	<b>89,30,800</b>	<b>87.56</b>	<b>0</b>
<b>C. Shares held by custodians of ADRs &amp; GDRs</b>									
Sub-total C:	-	-	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	<b>60,68,206</b>	<b>41,31,794</b>	<b>1,02,00,000</b>	<b>100</b>	<b>60,70,706</b>	<b>41,29,394</b>	<b>1,02,00,000</b>	<b>100</b>	<b>0.03</b>

**ii. Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged to the total shares	No. of shares	% of total shares of the Company	% of shares pledged to the total shares	
<b>INDIVIDUALS</b>								
<b>Indian</b>								
1	N.V. Rama Raju	1,23,500	1.21	-	1,23,500	1.21	-	-
2	D. Srinivasa Raju	35,000	0.34	-	35,000	0.34	-	-
3	D. Krishnam Raju	12,000	0.12	-	12,000	0.12	-	-
4	D. Krishnaveni	15,500	0.15	-	15,500	0.15	-	-
5	Venkata Satyanarayana Raju	200	0.00	-	200	0.00	-	-
6	Venkata Surya Narayana Raju	10000	0.09	-	10000	-	-	-
7	Srinivasa Raju Gokaraju	50,000	0.49	-	50,000	0.49	-	-
8	N. Vijaya Laxmi	9,500	0.09	-	9,500	0.09	-	-
9	D. Bangara Raju	4,500	0.04	-	4,500	0.04	-	-
10	K. Krishnaveni	9,500	0.09	-	9,500	0.09	-	-
11	V. Satyanarayana Raju	20,000	0.20	-	20,000	0.2	-	-
12	K. Kasi Raju	30,000	0.29	-	30,000	0.29	-	-
13	T. Ramamurthy Raju	30,000	0.29	-	30,000	0.29	-	-
14	Kallapalli Venkata Suguna	15,000	0.15	-	15,000	0.15	-	-
15	D. Krishnamraju	35,000	0.34	-	35,000	0.34	-	-
16	D. Srinivasa Raju	60,000	0.59	-	60,000	0.59	-	-
17	Dean C. Seniff	2,10,000	2.06	-	2,10,000	2.06	-	-
18	Padma Kunaparaju	43,000	0.42	-	43,000	0.42	-	-
19	Varma Kunaparaju	86,000	0.84	-	86,000	0.84	-	-
20	Subba Reddy Annapura Reddy Padma	10,500	0.10	-	10,500	0.10	-	-
21	N.V. Rama Raju	1,50,000	1.47	-	1,50,000	1.47	-	-
22	N.V. Rama Raju	1,00,000	0.98	-	1,00,000	0.98	-	-
<b>NRI</b>								
23	Alluri S.R.V.S.S.S.N.S.M Raju	2,10,000	2.06	-	2,10,000	2.06	-	-

**iii. Change in Promoters' Shareholding:**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	N.V. RAMA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	1,23,500	1.21	1,23,500 1,23,500	1.21 1.21
2	D. SRINIVASA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	35,000	0.34	35,000 35,000	0.34 0.34
3	D. KRISHNAM RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	12,000	0.12	12,000 12,000	0.12 0.12
4	D. KRISHNAVENI <i>At the beginning of the year</i> <i>At the end of the year</i>	15,500	0.15	15,500 15,500	0.15 0.15
5	VENKATA SATYANARAYANA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	200	0.00	200 200	0.00 0.00
6	SRINIVASA RAJU GOKARAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	50,000	0.49	50,000 50,000	0.49 0.49
7	N. VIJAYA LAXMI <i>At the beginning of the year</i> <i>At the end of the year</i>	9,500	0.09	9,500 9,500	0.09 0.09
8	D. BANGARA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	4,500	0.04	4,500 4,500	0.04 0.04
9	K. KRISHNAVENI <i>At the beginning of the year</i> <i>At the end of the year</i>	9,500	0.09	9,500 9,500	0.09 0.09
10	V. SATYANARAYANA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	20,000	0.20	20,000 20,000	0.20 0.20
11	K. KASI RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	30,000	0.29	30,000 30,000	0.29 0.29
12	T. RAMAMURTHY RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	30,000	0.29	30,000 30,000	0.29 0.29

13	KALLAPALLI VENKATA SUGUNA <i>At the beginning of the year</i> <i>At the end of the year</i>	15,000	0.15	15,000 15,000	0.15 0.15
14	D. KRISHNAM RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	35,000	0.34	35,000 35,000	0.34 0.34
15	D. SRINIVASA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	60,000	0.59	60,000 60,000	0.59 0.59
16	DEAN C. SENIFF <i>At the beginning of the year</i> <i>At the end of the year</i>	2,10,000	2.06	2,10,000 2,10,000	2.06 2.06
17	PADMA KUNAPARAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	43,000	0.42	43,000 43,000	0.42 0.42
18	VARMA KUNAPARAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	86,000	0.84	86,000 86,000	0.84 0.84
19	SUBBA REDDY ANNAPURNA REDDY PADMA <i>At the beginning of the year</i> <i>At the end of the year</i>	10,500	0.10	10,500 10,500	0.10 0.10
20	N.V. RAMA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	1,50,000	1.47	1,50,000 1,50,000	1.47 1.47
21	N.V. RAMA RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	1,00,000	0.98	1,00,000 1,10,000	0.98 0.98
22	ALLURI S.R.V.S.S.S.N.S.M RAJU <i>At the beginning of the year</i> <i>At the end of the year</i>	2,10,000	2.06	2,10,000 2,10,000	2.06 2.06

**iv. Shareholding Pattern of Top 10 shareholders (other than Promoters, Directors and holders of ADRs & GDRs):**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	CHALLA PAVAN KUMAR <i>At the beginning of the year</i> <i>At the end of the year</i>	3,25,500	3.19	3,25,500 3,25,500	3.19 3.19
2	ASHAKANI SURESH KUMAR <i>At the beginning of the year</i> <i>At the end of the year</i>	2,23,500	2.19	2,23,500 2,23,500	2.19 2.19
3	SYED RASHEED AHMED <i>At the beginning of the year</i> <i>At the end of the year</i>	2,00,000	1.96	2,00,000 2,00,000	1.96 1.96
4	BHONGIR SOHAN BAPU <i>At the beginning of the year</i> <i>At the end of the year</i>	1,61,000	1.58	1,61,000 1,61,000	1.58 1.58
5	BATTINA MADHRI <i>At the beginning of the year</i> <i>At the end of the year</i>	1,50,000	1.47	1,50,000 1,50,000	1.47 1.47

6	A. SITA RAMA RAJU At the beginning of the year At the end of the year	1,50,000	1.47	1,50,000 1,50,000	1.47 1.47
7	KONDABATHULA RAVI SHANKAR At the beginning of the year At the end of the year	1,50,000	1.47	1,50,000 1,50,000	1.47 1.47
8	K. BAPURAO At the beginning of the year At the end of the year	1,24,105	1.22	1,24,105 1,24,105	1.22 1.22
9	RAMA BHADRA VARMA ALLURI At the beginning of the year At the end of the year	1,08,000	1.06	1,08,000 1,08,000	1.06 1.06
10	ALLURI SRI LATHA At the beginning of the year At the end of the year	1,04,500	1.02	1,04,500 1,04,500	1.02 1.02

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>NIL</b>					

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year:</b> i. Principal Amount ii. Interest due but not paid iii. Interest accrued but not due  <b>Total (i + ii + iii)</b>				
<b>Change in indebtedness during the financial year:</b> i. Addition ii. Reduction  <b>Net Change</b>			<b>NIL</b>	
<b>Indebtedness at the end of the financial year:</b> i. Principal Amount ii. Interest due but not paid iii. Interest accrued but not due  <b>(i + ii + iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**i. Remuneration to Managing Director, Whole-time Director and/ or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ manager	Total Amount
1	Gross Salary: A. Salary as per Section 17(1) of the Income Tax Act, 1961 B. Value of perquisites u/s 17(2) of the Income Tax Act, 1961 C. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission: a. as a % of profit b. others (specify)		
5	Others (please specify)		
6	<b>Total (A)</b>		
7	<b>Ceiling as per Act</b>		

**ii. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount
1	Independent Directors: a. Fee for attending Board/ Committee meetings b. Commission c. Other (please specify) <b>Total (1)</b>	<b>NIL</b>	
2	Other Non-Executive Directors: a. Fee for attending Board/ Committee meetings b. Commission c. Others (please specify) <b>Total (2)</b>		
3	<b>Total (B) (1 + 2)</b>		
4	<b>Total Managerial Remuneration</b>		
5	<b>Ceiling as per Act</b>		

**a. Remuneration to Key Managerial Personnel (Other than Managing Director/ Whole-time Director/ manager):**

Sl. No.	Particulars of Remuneration	Name of KMP	Total Amount
1	Gross Salary: D. Salary as per Section 17(1) of the Income Tax Act, 1961 E. Value of perquisites u/s 17(2) of the Income Tax Act, 1961 F. Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	<b>NIL</b>	
2	Stock Option		
3	Sweat Equity		
4	Commission: c. as a % of profit d. others (specify)		
5	Others (please specify)		
6	<b>Total (A)</b>		
7	<b>Ceiling as per Act</b>		

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
1	<b>Company:</b> i. Penalty ii. Punishment iii. Compounding					
2	<b>Directors:</b> i. Penalty ii. Punishment iii. Compounding			<b>NIL</b>		
3	<b>Other officers in default:</b> i. Penalty ii. Punishment iii. Compounding					

**For BARON INFOTECH LIMITED**

Bharani Ganapavarapu

Chairman &amp; Whole-time Director

DIN: 08631433

Date : 05.09.2020

Place: Hyderabad



**REPORT ON CORPORATE GOVERNANCE**

*[Pursuant to Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company has always been committed to high standards of Corporate Governance since its inception and considers that sound governance practices are crucial for smooth and efficient operations as well as its ability to focus on its resources, strengths and strategies for creating and safeguarding shareholder's wealth and interests, while at the same time, balancing the interests of all its stakeholders.

The Company believes in maintaining high standards of Corporate behavior towards the community and the environment which it has an impact on, for responsible and sustainable growth.

The Company practices fair and ethical business driven by fundamental principles of ensuring compliance with applicable laws, adhering to governance standards, accountability for performance maintaining a transparent corporate structure.

**II. BOARD OF DIRECTORS:****i. Composition and Category of Directors:**

The Board of the Company is duly constituted with the mix of Executive and Non-Executive Independent Directors, including one Woman Director, having specialized skills and vast experience in their field of expertise. The Composition of the Board of Directors is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

All the Directors have made disclosures about the directorship(s), committee chairmanship(s)/ membership(s) held by them in other companies.

As per the disclosures given by the respective directors, none of them is member of more than ten (10) committees and Chairperson of more than five (5) committees, as stipulated under the Regulation 26 of the Listing Regulations, across all the companies in which he/ she is a Director.

Further, none of them is an Independent director in more than seven (7) listed entities, and if he/ she is the Managing Director of a listed company, in more than three (3) listed entities.

The details of Composition of Board and other details pertaining to the Directors is furnished below:

Sr. No	Name of Director	Category of Directorship	Attendance at the meetings held during the year		No. of Directorship in other Companies	No. of membership(s)/ Chairmanship(s) in the Committees of other Companies	
			Board Meetings	AGM		Chairmanships	Memberships
1	Surampurdi* Pavan Nandan	Whole-Time Director	4	Yes	Nil	Nil	Nil
2	Bharani# Ganapavarapu	Whole-Time Director	1	No	Nil	Nil	Nil
3	Dutta Chandra Subhash	Independent Director	6	Yes	Nil	Nil	Nil
4	Kamala Kumari Nadimpally	Independent Director	6	Yes	Nil	Nil	Nil
5	Vishnu Vardhan Reddy Billa	Independent Director	6	Yes	Nil	Nil	Nil
6	Pokuri Srinivasa Rao	Independent Director	6	Yes	Nil	Nil	Nil

\* Mr. Surampudi Pavan Nandan (DIN: 02187696) ceased to be Whole-Time Director with effect from 09<sup>th</sup> December, 2019.

# Mr. Bharani Ganapavarapu (DIN: 08631433) appointed as a Whole-Time Director with effect from 09<sup>th</sup> December, 2019.

## ii. Number of Meetings of the Board:

In compliance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company met six (6) times during the year under review, on the dates as mentioned below:

- 30<sup>th</sup> May, 2019
- 14<sup>th</sup> August, 2019
- 25<sup>th</sup> October, 2019
- 14<sup>th</sup> November, 2019
- 09<sup>th</sup> December, 2019
- 14<sup>th</sup> February, 2020

As required by the Regulations, the intervening period between two consecutive Board meetings did not exceed the maximum gap of one hundred and twenty days (120 days).

**iii. Relationship between Directors inter-se:**

Within in the meaning of Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014, none of the Directors on the Board are related to each other.

**iv. Number of shares and Convertible instruments held by the Non-Executive Directors:**

None of the Non-Executive Directors holds any equity shares on Convertible instruments in the name of the Company.

**v. Weblink of Familiarization programmes:**

The details of familiarization programmes imparted to the Independent Directors are disclosed on the Company's website: [www.baroninfotech.com](http://www.baroninfotech.com).

**vi. Core skills/ expertise/ competencies:**

The list of core skills/ expertise/ competencies which are identified by the Board of Directors as required in the context of the business of the Company to function effectively and names of directors possessing such field of expertise are as follows:

Sl. No	Name of Director	Field of expertise
1	Bharani Ganapavarapu	Business and Administration
2	Dutta Chandra Subhash	Legal and Regulatory matters
3	Kamala Kumari Nadimpally	Operations and Management
4	Vishnu Vardhan Reddy Billa	Finance and Strategy
5	Pokuri Srinivasa Rao	Information Technology

**vii. Independence of Directors:**

The Board of Directors confirms that, in its opinion, the Independent Directors fulfill the conditions laid down in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent of the management of the Company.

**viii. Resignation of Independent Director(s):**

During the period under review, no Independent Director has resigned from the Directorship of the Company before the expiry of their tenure.

**III. AUDIT COMMITTEE:**

The Audit Committee of the Board was constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 (“the Act”) and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

**i. Terms of reference:**

The Committee is empowered with the role and powers as envisaged under the provisions of the above-mentioned Act and Listing Regulations. In addition to that, it acts in terms of reference and direction of the Board from time to time.

**ii. Composition and Names of Chairperson and Members:**

Name of Director	Category of Directorship	Chairperson/Member
Kamala Kumari Nadimpally	Independent Director	Chairperson
Dutta Chandra Subhash	Independent Director	Member
Vishnu Vardhan Reddy Billa	Independent Director	Member

**iii. Number of meetings and attendance of members:**

As required by the Listing Regulations, during the year under review, the Committee met four times, on the dates as mentioned below:

- 30<sup>th</sup> May, 2019
- 14<sup>th</sup> August, 2019
- 14<sup>th</sup> November, 2019
- 14<sup>th</sup> February, 2020

The gap between two consecutive meeting should not exceed the maximum gap of one hundred and twenty days (120 days).

All the Committee members attended all the meetings during the year.

**IV. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Board of Directors was constituted in accordance with the requirements of Section 178 of the Companies Act (“the Act”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (“the Listing Regulations”).

**i. Terms of reference:**

The role and terms of reference of the Nomination and Remuneration Committee as are prescribed under the Listing Regulations. The Committee is authorized to negotiate, finalize and approve the terms of appointment of

Managing Director/ Whole-Time Director and other Senior Executives of the Company. It determines the all elements of the remuneration package payable to the Directors, including the Executive Directors and Senior Executives in the top-level management of the Company and also reviews the same.

**ii. Composition and Names of Chairperson/ Members:**

The Nomination and Remuneration Committee comprised of three (3) Independent Directors.

The composition of Committee as follows:

Name of Director	Category of Directorship	Chairperson/Member
Pokuri Srinivasa Rao	Independent Director	Chairperson
Dutta Chandra Subhash	Independent Director	Member
Vishnu Vardhan Reddy Billa	Independent Director	Member

**iii. No of meetings and attendance of members:**

During the year, three (3) meetings of the Nomination and Remuneration Committee were held on the dates mentioned below:

- 25<sup>th</sup> October, 2019
- 14<sup>th</sup> November, 2019
- 09<sup>th</sup> December, 2019

All the Committee members attended such three meetings.

**iv. Criteria for performance of Independent Directors:**

Some of the performance indicators based on which the performance of the Independent Directors is evaluated are:

- Attendance and contribution at the Board/Committee meetings and role played by them other than at meetings.
- Contribution to and monitoring of Corporate Governance practices.
- Ability to contribute to address the top management issues.
- Commitment to fulfill their obligations/ responsibilities.

**v. Remuneration of Directors:**

**a. Pecuniary relationships or transactions of Non- Executive Directors vis-à-vis the Company:**

During the year under review, there were no pecuniary relationships or transactions between the Company and the Non-Executive Directors.

**b. Criteria for making payments to Non-Executive Directors:**

Currently, no payment either by way of sitting fee or as a commission of net profits, is being made to the Non-Executive Directors of the Company.

**c. Disclosure with respect to Remuneration:**

The details of the remuneration of Directors of the Company is disclosed in the extract of Annual Return, forming part of the Annual Report as **Annexure – I**.

**V. STAKEHOLDER’S GRIEVANCE COMMITTEE:**

The Company has a Stakeholder’s Grievance Committee at the Board level to look into and provide satisfactory redressal to stakeholder’s complaints.

**i. Composition of the Committee:**

Mr. Dutta Chandra Subhash, Independent Director of the Company chairs the Committee. In pursuit of compliance with the Listing Regulations, the Committee was re-constituted during the year, by appointing Mr. Bharani Ganapavarapu as a member of the Committee on 09<sup>th</sup> December, 2019. The Current composition of the Committee is as follows:

Name of Director	Category of Directorship	Chairperson/Member
Dutta Chandra Subhash	Independent Director	Chairperson
Pokuri Srinivasa Rao	Independent Director	Member
Bharani Ganapavarapu*	Independent Director	Member

*\*Appointed as a member of the Committee w.e.f. 09<sup>th</sup> December, 2019.*

**ii. Name and Designation of Compliance Officer:**

Mr. Kanchan Sharma, Company Secretary of the Company is acting as the Compliance Officer of the Company.

Email Id for Investor’s grievance: [info@baroninfotech.com](mailto:info@baroninfotech.com)

**iii. Shareholder’s Complaints:**

No of Shareholder’s complaints received so far	Nil
No of complaints not solved to the satisfaction of the shareholders	Nil
No of pending complaints	Nil

**VI. GENERAL BODY MEETINGS:**
**i. Details of last three Annual General Meetings**

Nature of the Meeting	Date & Time	Venue	Passing of special resolution at the meeting
22 <sup>nd</sup> Annual General Meeting	30 <sup>th</sup> September, 2019 at 09.30 A.M.	504, Micasa Flora, Durga Enclave, Kompally, Secunderabad- 500014	1. Re-appointment of Mr. Dutta Chandra Subhash as an Independent Director of the Company.
21 <sup>st</sup> Annual General Meeting	29th September, 2018 at 9:30 A.M.	504, Micasa Flora, Durga Enclave, Kompally, Secunderabad- 500014	No
20 <sup>th</sup> Annual General Meeting	29th September, 2017 at 09:30 A.M.	504, Micasa Flora, Durga Enclave, Kompally, Secunderabad- 500014	No

**ii. Special Resolutions passed last year through postal ballot and details of voting pattern:**

During the year, no special resolutions were passed through postal ballot.

**iii. Special Resolutions proposed to be conducted through postal ballot:**

No Special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

**VII. MEANS OF COMMUNICATION:**

**i. Quarterly Results:** The quarterly as well as half yearly and annual financial results of the Company are submitted to the Stock exchange (BSE), in accordance with the Listing Regulations and are simultaneously published in the newspapers.

**ii. Newspapers wherein results are normally published:** The results are usually published by the Company in the English newspaper (Business Standard) circulating in the whole of India and in regional Telugu newspaper (Andhra Prabha).

**iii. Website, where displayed:** The results are displayed on the Company's website – [www.baroninfotech.com](http://www.baroninfotech.com)

**iv. Display of Official news releases:** The newsletters and press releases made from time to time, if any, are available on the website of the Company ([www.baroninfotech.com](http://www.baroninfotech.com)).

- v. **Presentations made to Institutional Investors or to Investor analysts:** The details on presentations made to Institutional Investors or Investor analysts, if any, are displayed on the website of the Company ([www.baroninfotech.com](http://www.baroninfotech.com))

**VIII. GENERAL SHAREHOLDER INFORMATION:**

- i. **Financial Year:** The financial year of the Company starts on 01<sup>st</sup> April of every year and ends on 31<sup>st</sup> March of the subsequent year.

ii. **Annual General Meeting:**

<b>Date</b>	30 <sup>th</sup> September, 2020
<b>Time</b>	10:00 A.M.
<b>Venue</b>	504, Micasa Flora, Durga Enclave, Kompally, Secunderabad-500014
<b>Book Closure</b>	22 <sup>nd</sup> September, 2020 to 30 <sup>th</sup> September, 2020 (both days inclusive)

iii. **Details of Stock Exchange where the shares of the Company are listed:**

Name	BSE Limited
Address	P.J. Towers, Dalal Street, Mumbai – 400 001
Stock Code	532336
Stock Symbol	BARONINF
ISIN	INE228B1017

The Company has paid the Annual Listing Fee to the Stock Exchange for the year 2020-21.

iv. **Market Price data:**

The monthly high and low prices of the Company's share, along with traded volumes, on BSE Limited for the year ended 31<sup>st</sup> March, 2020 as under:

Month	High (Rs.)	Low (Rs.)	Traded Volume (No of Shares)
April 2019	0.21	0.19	353
May 2019	0.20	0.19	430
June 2019	0.19	0.19	107



July 2019	0.19	0.19	266
August 2019	0.19	0.20	1,050
September 2019	0.19	0.19	2,096
October 2019	0.19	0.20	402
November 2019	0.20	0.20	248
December 2019	0.19	0.19	1,337
January 2020	0.19	0.20	3,850
February 2020	0.19	0.21	960
March 2020	0.21	0.21	21

**v. Registrar to an Issue and Share Transfer Agent:**

Registrars and Transfer Agents (for shares held in both, physical and demat mode):

<b>Name</b>	Venture Capital and Corporate Investments Private Limited
<b>Address</b>	12-10-167, Bharat Nagar, Hyderabad – 500 018
<b>Phone</b>	+91 040-23818475/ 23818476/ 23868023
<b>Fax</b>	+91 040-23868024
<b>Email</b>	info@vccilindia.com
<b>Website</b>	www.vccipl.com

**vi. Share Transfer System:**

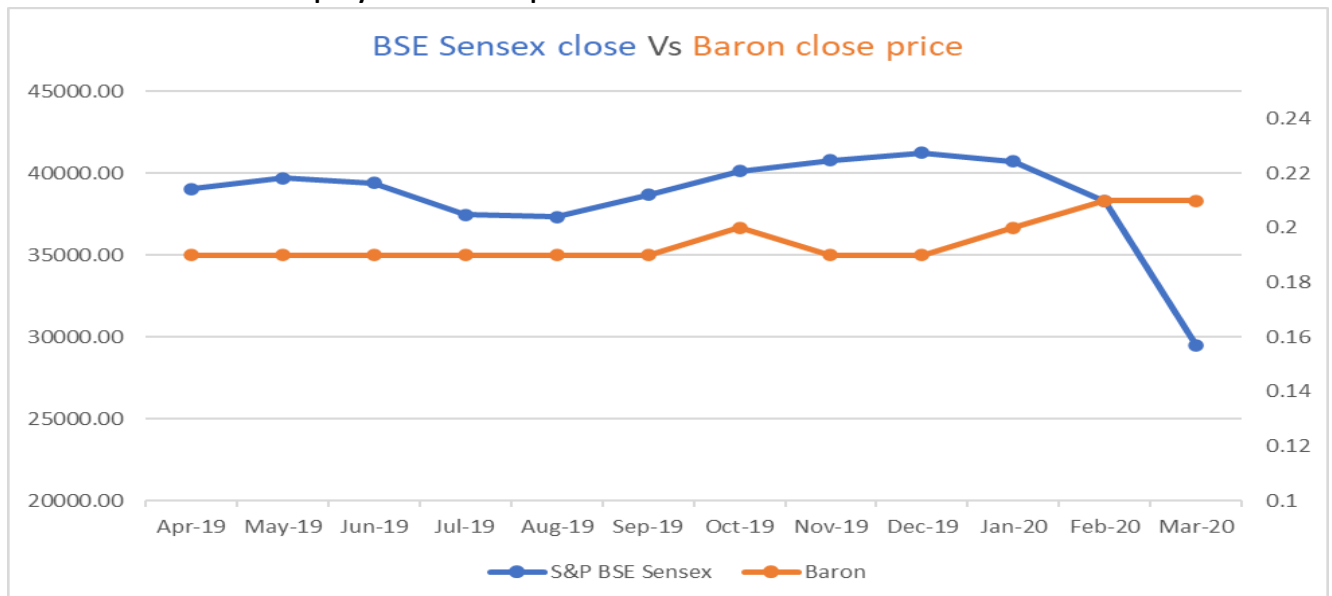
Venture Capital and Corporate Investments Private Limited is the Company's Registrar and Transfer Agent (RTA). Share Transfer forms shall be lodged with the RTA at the above-mentioned address. Generally, share transfers processed and registered in the normal course within a period of less than 15 days from the date of receipt, if the documents are complete in all respects, in line with schedule VII to the Listing Regulations. However, as per the amendments made by the Securities and Exchange Board of India, except in case of transmission and transposition, transfer of shares held in physical mode is barred with effect from 1<sup>st</sup> April, 2019. Investors (holding shares in physical mode) desirous of transferring their shares are requested to get their shares dematerialized. The Company has delegated the powers of share transfers to its RTA to expediate the transfer formalities.

Request for dematerialization of shares are processed and confirmation is given to the concerned depositories, i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days of their receipt.

vii. Distribution of Shareholding:

Range of shares held	As on 31 <sup>st</sup> March, 2020			
	Shareholders		Shareholding	
	Number	%	Amount	%
Upto 5000	9290	97.35	3606826	35.36
5000-10000	125	1.31	1024934	10.05
10001-20000	52	0.54	749261	7.35
20001-30000	28	0.29	730817	7.16
30001-40000	10	0.1	363830	3.57
40001-50000	13	0.14	582926	5.71
50001-100000	11	0.12	751301	7.37
100001 and above	14	0.15	2390105	23.43
<b>Total</b>	<b>9543</b>	<b>100.00</b>	<b>10200000</b>	<b>100.00</b>

viii. Performance of the Company's stock in comparison to broad-based indices



**ix. Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2020, 60,71,706 equity shares, constituting 59.53% of the total equity share capital of the Company, are in dematerialized form.

Shareholders who continue to hold their shares in physical mode are requested to dematerialize their shares at the earliest to avail the benefits of dealing in securities in electronic/ dematerialized form. The Company has made necessary arrangements with NSDL and CDSL for dematerialization facility. Shareholders can open a demat account with depository participants registered with any of these depositories.

**x. Outstanding GDRs or ADRs or Warrants or Convertible Instruments:**

Neither has the Company issued any American Depository Receipts or Global Depository Receipts or Warrants or Convertible Instruments during the year under review, nor are any such instruments outstanding as on 31<sup>st</sup> March, 2020.

**xi. Commodity price risk or foreign exchange risk and hedging activities:**

As the Company is neither carrying out any commodity business nor is engaged in export activities, it is not exposed to commodity price risk or foreign exchange risk and hence, has not undertaken any hedging activities.

**xii. Address for correspondence:**

<b>Registered Office</b>	1-8-313, 4 <sup>th</sup> Floor, Linus Building, Chiran Fort Lane, Begumpet, Secunderabad, Hyderabad – 500 003
<b>Telephone</b>	+91 040 32492514
<b>E- Mail id</b>	<a href="mailto:info@baroninfotech.com">info@baroninfotech.com</a>
<b>Website</b>	<a href="http://www.baroninfotech.com">www.baroninfotech.com</a>

**xiii. Credit Ratings:**

The Company has no debt instruments, fixed deposit programmes or schemes or proposals involving mobilization of funds, either in India or abroad, requiring credit rating.

**IX. OTHER DISCLOSURES****i. Disclosure on materially significant related party transactions:**

During the year, no materially significant related party transactions having potential conflict with the interests of the Company were entered into between the Company and its Directors/ Management or their relatives

**ii. Details of Non-Compliance by the Company and penalties, strictures imposed by statutory authorities during the last three (3) years:**

Sl. No.	Particulars of Non-Compliance	Action taken by the Company
1	Some of the members of the promoter group of the Company have neither dematerialized their shares nor provided their PAN and bank account details as mandated by SEBI	The Company has been making persistent efforts to obtain the said details from the concerned members as well as to get their shares dematerialized
2	The Company had not paid the Annual Listing Fees to BSE Limited ("the Exchange") as a result of which the Exchange, in accordance with circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019, suspended trading in the equity shares of the Company w.e.f. March 01, 2020	The subsisting Annual Listing Fees (ALF) dues have been cleared by the Company and as such, there are no arrears of ALF pending to be paid by the Company. Subsequent to payment of ALF dues by the Company, the suspension imposed by BSE was lifted and the shares of the Company have become eligible for trading, albeit on Trade-to-Trade basis.

**iii. Vigil Mechanism/ Whistle Blower Policy:**

The Company has established a Whistle Blower Mechanism for directors and employees to report genuine concerns of violations and illegal or unethical behavior. The mechanism provides protection against victimization to the directors and employees who avail the same and also provides for direct access to the Chairman of

the Audit Committee. It is affirmed that, during the year, no personnel were denied access to the Audit Committee.

The Whistle Blower Policy of the Company is available on its website [www.baroninfotech.com](http://www.baroninfotech.com).

**iv. Compliance with mandatory requirements and adoption of non-mandatory requirements:**

During the year under review, the Company has complied with all the mandatory requirements of Corporate Governance as enumerated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

In addition to complying with the mandatory requirements of Corporate Governance, the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations, except for clauses A and B therein, have also been complied by the Company.

**v. Weblink of policy for determining material subsidiaries:**

As the Company does not have subsidiaries, no such policy has been formulated by the Board of Directors.

**vi. Weblink of Related Party Transactions Policy:**

The Company's policy on dealing with related party transactions can be accessed at [www.baroninfotech.com](http://www.baroninfotech.com).

**vii. Declaration on compliance of Code of Conduct:**

During the year, the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with their respective Codes of conduct framed by the Company. A declaration pertaining to the same, made by the Whole-Time Director, is attached to this Report as **ANNEXURE – 2**.

**viii. Certificate on Financial Statements:**

The Compliance certificate on the financial statements as required to be furnished under Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished as **ANNEXURE – 3** to this report.

**ix. Certificate on non-disqualification of Directors:**

A certificate from M/s P.S. Rao & Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory authority forms part of this Report as **ANNEXURE – 4**.

**x. Non-acceptance of the recommendation(s) of any Committee by the Board:**

During the year, there has been no such instance where any recommendation made by any of the Committees, which is mandatorily required to be accepted, was not accepted by the Board of Directors.

**xi. Total fees to the Statutory Auditor:**

Particulars	Amount (Rs. in Lakhs)
Audit Fees	0.50
<b>Total</b>	<b>0.50</b>

Except for the above-mentioned audit fees, no fee to the Statutory Auditor or any entity in the network firm/ network entity of which the Statutory Auditor is a part was paid by the Company during the year under review.

**xii. Disclosure in relation to POSH Act:**

The disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the POSH Act”) is furnished in the following table:

No of Complaints filed during the financial year	NIL
No of Complaints disposed off during the financial year	NIL
No of Complaints pending as on the end of the financial year	NIL

**xiii. Compliance Certificate on Corporate Governance:**

As per the requirements of Part E of Schedule V to the Listing Regulations, a Certificate from M/s. NSVR & Associates LLP, Chartered Accountants (FRN: 008801S/S200060), Auditors of the Company, regarding compliance of conditions of Corporate Governance forms part of this Report as **Annexure- 1**.

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020  
Place: Hyderabad

*Annexure - 1*

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
**Baron Infotech Limited**

We have examined the compliance of conditions of Corporate Governance by Baron Infotech Limited (“the Company”) for the year ended 31<sup>st</sup> March, 2020, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

The Compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Compliance of conditions of Corporate Governance in accordance with the established systems and procedures selected by us depending on our judgement and to the best of our knowledge. The procedures include, but are not limited to, verification of Secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended 31<sup>st</sup> March, 2020.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **NSVR & Associates LLP**  
Chartered Accountants  
FRN: 008801S/S200060

**N.V. Gangadhar Rao**  
Partner

Membership No.: 219486  
UDIN: 20219486AAAACY7069

Date : 05.09.2020  
Place: Hyderabad

*Annexure - 2*

**DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY THE BOARD MEMBERS  
AND SENIOR MANAGEMENT PERSONNEL**

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel.

It is hereby confirmed that, in respect of the year ended 31<sup>st</sup> March, 2020, the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them.

For **Baron Infotech Limited**

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date :05.09.2020  
Place: Hyderabad



**WHOLE-TIME DIRECTOR CERTIFICATION**

**For the year ended 31<sup>st</sup> March, 2020**

*[Pursuant to Regulation 17(8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Board of Directors  
**Baron Infotech Limited**

- I. I have reviewed the financial statements and the cash flow statements of the Company for the year and that to the best of my knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b) These statements together present a true fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- II. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's Code of Conduct.
- III. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which i was aware and the steps I have taken or propose to take to rectify such deficiencies.
- IV. I have indicated to the Auditors and Audit Committee:
  - a) Significant changes in the internal control over financial reporting during the year;
  - b) Significant changes in the notes to the financial statements; and
  - c) Instances of significant fraud of which i have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

**Nageswara Rao Sabbarapu**  
Chief Financial Officer

Date : 05.09.2020

Place: Hyderabad

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with clause (10)(i) of Para C of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**Baron Infotech Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Baron Infotech Limited having CIN: L72200TG1996PLC025855 and having registered office at 1-8-313, 4<sup>th</sup> Floor, Linus Building, Chiran Fort lane, Begumpet, Secunderabad, Hyderabad – 500 003, Telangana (hereinafter referred to as “the Company”) and produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause (10)(i) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

In our opinion and to the best of our information and according to the verifications including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, we hereby certify that, for the year ended 31<sup>st</sup> March, 2020, none of the Directors on the Board of the Company, as stated below, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authorities.

Sl. No	Name of Director	Nature/ Category of Directorship	DIN
1	Bharani Ganapavarapu*	Whole-Time Director	08631433
2	Surampudi Pavan Nandan <sup>§</sup>	Whole-Time Director	02187696
3	Dutta Chandra Subhash	Independent Director	02221641
4	Kamala Kumari Nadimpally	Independent Director	07142555
5	Vishnu Vardhan Reddy Billa	Independent Director	07151065
6	Pokuri Srinivasa Rao	Independent Director	07151066

\*Appointed w.e.f. 09<sup>th</sup> December, 2019

§Resigned w.e.f. 09<sup>th</sup> December, 2019

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. RAO & ASSOCIATES**  
Company Secretaries

**D.S. Rao**  
Company Secretary  
M. No.: 12394  
C.P. No.: 14487  
UDIN: A012394B000669314

Date: 05.09.2020  
Place: Hyderabad

## **NOMINATION AND REMUNERATION POLICY**

### **1. INTRODUCTION**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Baron Infotech Limited (“the Company”) is required to ensure that the shareholders remain informed about and repose confidence in the management of the Company. To harmonize the aspirations of human resources with the goals of the Company and in terms of the provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations), as amended from time to time, this Policy on nomination and remuneration of the Directors (including Non-Executive Directors), Key Managerial Personnel (KMP) and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, the qualifications, positive attributes and independence of a director and matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

### **2. OBJECTIVE OF THE POLICY**

(a) The objective of this Policy is to outline a framework to ensure that the Company’s remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and Senior Management Personnel of the quality required by Baron Infotech Limited, allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:

- (i) guiding the Board in relation to appointment and removal of Director(s), Key Managerial Personnel and Senior Management;
- (ii) evaluating the performance of the members of the Board and assisting in providing necessary report to the Board for further evaluation of itself, its committees and individual directors.
- (iii) recommending to the Board the remuneration payable to the Director(s) and setting forth a policy for determining the remuneration payable to KMP and Senior Management Personnel.

(b) While determining the remuneration of the Director(s) (including Non-Executive Directors) and KMPs and Senior Management Personnel, regard should be had to the prevailing market conditions, business performance and practices in comparable companies, the financial and commercial health of the Company and also to prevailing laws and government/ other guidelines, to ensure that the pay structures are appropriately aligned and the levels of remuneration remain appropriate.

(c) While designing the remuneration package it should be ensured that:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate persons of the quality required to run the Company successfully;

(ii) there is a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(d) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.

(e) The Nomination and Remuneration Committee may consult with the Chairman of the Board as it deems appropriate.

The Committee shall observe the set of principles and objectives as envisaged under the Act (including Section 178 thereof), the Rules framed thereunder and the Listing Regulations including, inter-alia, the principles pertaining to determining qualifications, positives attributes, integrity and independence.

(f) In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors through circulation on 08<sup>th</sup> December, 2014.

### 3. EFFECTIVE DATE

This Policy shall be effective from the date of its adoption by the Board.

### 4. DEFINITIONS

(a) In this Policy, unless the context otherwise requires:

(i) 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the Directors of the Company.

(ii) 'Committee' means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

(iii) 'Company' means "BARON INFOTECH LIMITED".

(iv) 'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 read with Regulation 16 of the Listing Regulations.

(v) 'Key Managerial Personnel' (KMP) shall have the meaning as prescribed to it in the Act and the Rules made thereunder.

(vi) 'Non-Executive Directors' include Independent Directors.

(vii) 'Policy' means the Nomination and Remuneration Policy.

(viii) 'Senior Management Personnel' for this purpose shall mean personnel of the Company who are members of its core management team, excluding the Board of Directors. It would comprise all the members of the management one level below the Board, including the functional heads.

(b) Unless the context otherwise requires, the words and expressions used in this Policy and not defined herein but defined in the Act and/ or the Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

#### **5. APPLICABILITY**

This Policy is applicable to:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

#### **6. MEMBERSHIP**

(a) The Committee shall consist of such number of directors as is required under the applicable laws.

(b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.

(c) The terms of the Committee shall be continuous unless terminated by the Board of Directors.

#### **7. CHAIRMAN**

(a) The Chairman of the Committee shall be an Independent Director.

(b) The Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.

(c) The Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **8. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such intervals as may be required.

#### **9. COMMITTEE MEMBERS' INTERESTS**

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives as it considers appropriate to be present at the meetings of the Committee.

#### **10. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

## 11. QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Committee; whichever is greater.

## 12. VOTING

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of the members present. Any such decision shall, for all purposes, be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 13. RESPONSIBILITY OF THE COMMITTEE

(a) The Committee is responsible for:

(i) formulating the criteria for determining the qualifications, positive attributes and independence of a Director for the purpose of this Policy;

(ii) advising the Board on issues concerning the principles of remuneration and other terms of employment, including remuneration of the Directors (including Non-Executive Directors), KMPs and the Senior Management;

(iii) monitoring and evaluating the programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;

(iv) monitoring and evaluating the application of this Policy;

(v) monitoring and evaluating current remuneration structures and levels in the Company; and

(vi) any other responsibility as determined by the Board.

## 14. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel.

(b) A person should possess adequate qualifications, expertise and experience for the position in which he/ she is considered to be appointed. The Committee shall have the discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

(c) Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(d) The appointment of a Director or a KMP, as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

## 15. REMUNERATION

(i) The remuneration/ compensation/ commission, etc. to the Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission, etc. shall be subject to the prior/post approval of the shareholders of the, wherever required.

(ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

(iii) Increments to the existing remuneration/ compensation structure of the Directors shall be recommended by the Committee to the Board which should be within the slabs approved by the shareholders, in the case of Directors.

(iv) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such Director. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of his/her remuneration.

### (A) Remuneration to Executive Directors:

Fixed pay:

- Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee, in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.
- The break-up of the pay scale and quantum of perquisites, including employer 's contribution to provident fund, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders, wherever required.

Variable components:

- The Executive Directors may be paid performance-linked commission within the overall limits as approved by the Shareholders.

### (B) Remuneration to Directors other than Executive Directors:

Sitting Fees:

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of the fees per meeting of the Board or Committee shall not exceed the maximum amount as provided in the Companies Act, 2013.

**(C) Remuneration to KMP and Senior Management Personnel:**

(i) The remuneration payable to the KMP and Senior Management Personnel, including their increments, will be determined by the Committee and approved by the Board of Directors.

(ii) Where any insurance is taken by the Company on behalf of its KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of his/her remuneration.

**Remuneration:**

Fixed pay:

- The KMP and Senior Management shall be eligible for monthly remuneration as may be recommended by the Committee and approved by the Board, in accordance with the statutory provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force.
- The break-up of the pay scale and quantum of perquisites, including employer 's contribution to PF, pension scheme, medical expenses, club fees, etc. shall be approved by the Board.

Variable components:

- Based on their performance, the KMPs and Senior Management Personnel will be paid incentives.

**16. POLICY ON BOARD DIVERSITY**

(a) The Board of Directors shall have an optimum combination of Directors from the different areas/ fields [like production, management, quality assurance, finance, sales and marketing, research and development, human resources, etc.] or as may be considered appropriate.

(b) The Board shall have at least one member who has accounting or related financial management expertise.

**17. REMOVAL**

The Committee may recommend to the Board, with reasons recorded in writing, the removal of Director(s), KMP(s) and Senior Management subject to the compliance of the applicable provisions of the Act, the Rules made thereunder.

**18. DISCLOSURE OF INFORMATION**

This Policy shall be disclosed in the Board's report.



#### **19. DEVIATION FROM THE POLICY**

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

#### **20. AMENDMENTS TO THE POLICY**

The Board of Directors, on its own and/ or as per the recommendations of Nomination and Remuneration Committee, can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

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**Annexure – IV****Form AOC-1**

Statement containing salient features of the financial statements of Subsidiaries and Associate Companies for the year ended 31<sup>st</sup> March, 2020

*[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]*

**Part 'A': Subsidiaries**

The Company had no subsidiaries during the period under review.

**Part 'B': Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: *NOT APPLICABLE*

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020

Place: Hyderabad

**Annexure – V****Form AOC-2**

*[Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Disclosure of particulars of contracts or arrangements entered into by the Company with related parties as referred to in Section 188(1) of the Companies Act, 2013:

**I. Details of contracts or arrangements or transactions not at arm's length:**

During the year under review, the Company has not entered into any contract or arrangement with related parties, which were not on arm's length basis.

**II. Details of contracts or arrangements or transactions at arm's length:**

No contract or arrangement or transaction, at arm's length, was entered into by the Company with any of the related parties.

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020

Place: Hyderabad

## Annexure – VI

**RELATED PARTY DISCLOSURES**

*[Pursuant to Regulation 34(3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]*

Sr. No.	In the accounts of	Particulars	Amounts as at the end of the year	Maximum amounts of loans/ advances/ investments outstanding during the year
NOT APPLICABLE				

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020

Place: Hyderabad

Annexure – VII

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
**The Members**  
**Baron Infotech Limited**  
**Hyderabad**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Baron Infotech Limited**, (hereinafter referred to as (“the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) (applicable Sections as on date) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed by the Securities and Exchange Board of India (‘SEBI’) thereunder;
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (v) Provisions of the following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under review:-
  - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The industry specific laws that are applicable to the Company are as follows:
  - (a) The Information Technology Act, 2000 and the rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards SS-1 and SS-2 with respect to meetings of the Board of Directors and General Meetings respectively, issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

**We report that**, during the period under review, the Company has duly complied with the provisions of the Companies Act, 2013, the Regulations of SEBI and other acts, as specified above, applicable to the industry of the Company, except the following:

1. *Certain members of the Promoter Group have not complied with the provisions of SEBI Circular No. CIR/ISD/3/2011 dated June 17, 2011 which requires all the shares of Promoters and members of the Promoter Group to be in dematerialized form. Further, certain members of the Promoter Group having shares in physical mode have not provided their PAN and bank account details, as required by SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018. As a result, the shares of the Company were put under Trade-to-Trade segment.*

**We further report that**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Based on our verifications and the declarations received from the respective directors, we further report that, the directors are not disqualified to act as such under the provisions of the Companies Act, Orders/ Circulars/ Regulations issued by SEBI or such other acts, for the time being enforceable.

Adequate notice was given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As a general practice of the Board, decisions were taken on unanimous consent.

**We further report that** no prosecutions were initiated and no fines or penalties were imposed for the year, under the Companies Act, the SEBI Act, the SCRA or other SEBI Regulations, on the Company or its directors and officers.

**We further report that** BSE Limited had, in accordance with circular no. LIST/COMP/OPS/ 16 /2019-2020 dated June 11, 2019, suspended trading in the equity shares of the Company w.e.f. March 01, 2020 on account of non-payment of Annual Listing Fees (ALF). Subsequent to the Company clearing all the ALF dues, the suspension imposed by BSE was lifted and the shares of the Company have become eligible for trading, albeit on Trade-to-Trade basis.

**We further report that** there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P.S. RAO & ASSOCIATES**  
Company Secretaries

**D.S. Rao**  
Company Secretary  
ACS No.: 12394  
C.P. No.: 14487  
UDIN: A012394B000669292

Date : 05.09. 2020  
Place: Hyderabad

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

'Annexure A'

To,  
**The Members,**  
**Baron Infotech Limited**  
**Hyderabad**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Owing to the lockdown measure imposed by the Government in the wake of the Covid-19 pandemic, for certain verifications and cross checks, we have relied on the information/ documents and assurances received from the respective officials of the Company for forming our opinion and for eventual reporting thereof.

**For P.S. RAO & ASSOCIATES**  
Company Secretaries

**D.S. Rao**  
Company Secretary  
ACS No.: 12394  
C.P. No.: 14487  
UDIN: A012394B000669292

Date : 05.09.2020  
Place: Hyderabad



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

While FY1999-FY2009 was a decade of growth, the past decade (2010-2019) has been that of consolidation during which the industry succeeded in decoupling revenue and employee growth. If the last decade (2010-2019) was one of unprecedented digital disruption that impacted both, businesses and public at large, the decade of the 2020s is expected to be one of individualism and hyper-personalization. Now, everything is digital; technologies are deeply interwoven into every industry and across entire industry value chains. This trend is expected to continue over the next decade.

In CY 2019, the global market for software and services is estimated to have grown to \$1.5 trillion. IT services is estimated to have grown by 3.5% YoY, characterized by a shift to digital technologies, and adoption of DevOps, and as-a-service models. Business Process Management grew by 4.5% over the prior year driven by a greater focus on robotic process automation as customers automate repetitive tasks and focus on strategic work.

The industry has also been strengthening the foundation of India as an Innovation hub: start-ups in India today are growing at 12-15 per cent YoY. The sector is one of the highest impact creators for the country- economic, innovation, job creation and inclusivity. Currently, it accounts for over 8% share in India's GDP. Total revenue from the sector went up to USD 191 Billion growing at 7.7% over FY2019, out of which, revenue from the IT services reached the USD 100 Billion mark, growing at 6.7%.

### Business Outlook

Global economic growth is projected to contract sharply from 3.3% in FY 2019 to -3% in FY 2020, much worse than during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the CoVID-19 pandemic are expected to significantly impact economic activity in all major markets and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash.

However, demand is expected to increase for services around digital channels, collaboration and workplace transformation, online learning and workforce analytics. Companies are also expected to invest more towards building operational resilience, leveraging analytics, intelligent automation, cloud and cyber security.

Baron's aim is to optimally utilize its resources to grab all the possible opportunities for achieving the end results of the organization in the short run and to cater to the current needs of the market, while ensuring long-term sustainability.

### Performance of the Company

During the year 2019-20, Baron reported revenue of Rs. 8.83 lakhs as against Rs. 5.48 lakhs in the year 2018-19. The Net Losses of the Company came down by Rs. 20.56 Lakhs to Rs. 0.78 Lakhs from Rs. 21.34 lakhs in the year 2018-

19. The same has been achieved as a result of the Company's persistent efforts to bag and execute back-to-back contracts on behalf of other service providers.

Though the Company has been unable to carry on its operations seamlessly due to lack of software orders, Baron stays committed to its endeavour in exploring various business avenues to improve its performance and emerge as a profitable organization.

### **Opportunities, Threats, Risks and Concerns**

While the domestic market shows signals of increased IT spend by the government agencies, only large operators of the industry are able to address these big-sized opportunities since they have the capacity build-up with good cash reserves. Even multinational IT players are in the race to take up large deals which require substantial investments. As a result, smaller companies with limited or scarce resources certainly continue to remain handicapped and at a disadvantageous position, thereby facing difficulty in reaching their targets. Baron is one of the preys to such limitation.

Add to this the disruption caused by the CoVID-19 pandemic, the IT industry today faces an unprecedented set of challenges. The market reaction to the pandemic has been followed by rationalization of IT spend as the focus has shifted to prioritizing spending, based on cost constraints and business priorities. This has resulted in an adverse impact on the economic activity across the IT sector and shall continue to do so over the short term.

Fortunately, the Government is acting decisively to protect its businesses and people from the economic disruption caused by the pandemic. Whether through tax cuts, investment incentives or extensions to filing deadlines: tax system has played an important role in helping alleviate the current financial and economic turmoil.

The pandemic is also changing the consumption and delivery model for IT services leading to opportunities for IT service providers. For a significant number of roles in certain industry segments, WFH is and will become the norm going forward. The focus

on cyber security, network connectivity, resilience and related business processes are opportunity areas for IT services. Digitization of channels to market are creating omni-channel opportunities which bring in additional room for both, simplification and automation of the underlying business processes and related supply chains.

### **Internal Controls and their adequacies**

Baron has placed various systems, commensurate with the size and complexity of its operations to have proper control over and accountability of them.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring orderly and efficient conduct of its business for safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records as well as timely preparation of reliable financial information.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors and reviews performed by the management and the Audit

Committee, the Board of Directors is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2019-20.

### Human Resource/ Industrial Relations

Baron believes and recognizes that Human Resource is a critical factor in the sustenance and growth of an organization and aims to have seamless focus on harnessing the potential of its human capacity. The Company currently has 03 full-time employees who are also the Key Managerial Personnel of the Company. As the Company strives to establish its base in terms of operational excellence, it is committed to enhance the performance of its workforce by nurturing their talent and improving their current capability levels.

The Company has maintained cordial industrial relations during the year under review and the Board of Directors places on record its gratitude and appreciation for the sincere and efficient services rendered by all the associates of the Company.

### Details of Key Financial Ratios

Sl. No.	Particulars	% change	2019-20	2018-19
1	Debtor's Turnover Ratio		-	-
2	Inventory Turnover Ratio		-	-
3	Interest Coverage Ratio		-	-
4	Current Ratio	11.39	15.44	4.05
5	Debt Equity Ratio	-	-	-
6	Operating Profit Margin (%)	133.48	-8.83	-142.31
7	Net Profit Margin	380.56	-8.83	-389.39
8	Return on Net Worth	14.08	-0.54	-14.62

### Explanation for significant changes in the ratios:

The significant changes in the ratios are a result of increase in the Company's operating income coupled with decrease in other expenses and deferred tax liabilities, leading to decreased losses.

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director: 08631433

Date : 05.09.2020  
Place: Hyderabad

*Annexure – IX*

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

**(A) CONSERVATION OF ENERGY- *Not Applicable***

- (i) The steps taken or impact on conservation of energy;
- (ii) The steps taken by the Company for utilizing alternate sources of energy;
- (iii) The capital investment on energy conservation equipments;

**(B) TECHNOLOGY ABSORPTION- *Not Applicable***

- (i) The efforts made towards technology absorption;
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) The details of technology imported;
  - (b) The year of import;
  - (c) Whether the technology has been fully absorbed;
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- (iv) The expenditure incurred on Research and Development.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO- *Not Applicable***

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

For and on behalf of the Board

**Bharani Ganapavarapu**  
Chairman & Whole-time Director  
DIN: 08631433

Date : 05.09.2020

Place: Hyderabad

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Baron Infotech Limited

#### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Baron Infotech Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, and the statement of profit and loss (including Other Comprehensive Income), the cash flow Statement and the statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### *Emphasis of Matter*

We draw attention to Note 18 of the financial statements, which describes the extent to which the COVID-19 pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

“We have determined that there are no key audit matters to communicate in our report.”

**Other Information**

The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon. The other information as stated above is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

**Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and company does not have any pending litigation.
  - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NSVR & Associates LLP**  
Chartered Accountants  
FRN: 008801S/S200060

**N V Gangadhara Rao**  
Partner  
M. No: 219486  
UDIN: 20219486AAAAACM8889

Place: Hyderabad  
Date: 31/07/2020

**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

*Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")*

We have audited the internal financial controls over financial reporting of Baron Infotech Limited ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

***Meaning of Internal Financial Controls over Financial Reporting***

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

***Inherent Limitations of Internal Financial Controls over Financial Reporting***

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

***Opinion***

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **NSVR & Associates LLP**

Chartered Accountants

FRN: 008801S/S200060

**N V Gangadhara Rao**

Partner

M. No: 219486

UDIN: 20219486AAAAACM8889

Place: Hyderabad

Date: 31/07/2020

*Annexure – B to the Independent Auditors’ Report*

The Annexure referred paragraph 1 of Auditor’s Responsibility to Financial Statements to in our Independent Auditors’ Report to the members of the **Baron Infotech Limited** on the Financial Statements for the period ended 31<sup>st</sup> March 2020, we report that:

- 1.1 The Company has maintained proper records showing full particulars, including the Quantitative details and the situation of fixed assets.
- 1.2 As explained to us, the fixed assets have been physically verified by the Management in a periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of company.
- 2.1 The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- 3.1 The Company has not granted any loans, secured or unsecured during the period. Thus Paragraph 3 (iii) of the order is not applicable to the company.
- 4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act.
- 5.1 The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and rules framed there under.
- 6.1 We have broadly reviewed the cost records maintained by the company as prescribed under section 148 (1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- 7.2 According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute.
- 8.1 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.
- 9.1 In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been used by the Company during the year for the purpose for which they were raised.
- 10.1 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11.1 According to information and explanation given to us and based on our examination of records of the Company, the Company has paid /provided for managerial remuneration with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- 12.1 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- 13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- 14.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- 15.1 According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

16.1 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **NSVR & Associates LLP**  
Chartered Accountants  
FRN: 008801S/S200060

**N V Gangadhara Rao**  
Partner  
M. No: 219486  
UDIN: 20219486AAAAACM8889

Place: Hyderabad  
Date: 31/07/2020

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Corporate Information

Baron Infotech Limited (“the Company”) domiciled in India and incorporated under the provisions of the Companies Act 1956. The Shares of the company are listed on Bombay Stock Exchange. The company is carrying the Business of developing, maintain, support, Produce, Sell, Distribute, Import, Export or otherwise deal in Computer Software, Hardware. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.2 Basis of Preparation and Presentation of Financial Statements

The financial statements of Baron Infotech Limited (“the Company”) have been prepared and presented in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

#### **Ind AS 116 Leases:**

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### **Amendment to Ind AS 12 ‘Income Taxes’:**

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’ with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated

distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

**Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:**

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

**Amendment to Ind AS 19 ‘Employee Benefits’:**

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

**1.3 Basis of Measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Long-term borrowings are measured at amortized cost using the effective interest rate method.
- All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

**1.4 Use of estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

**a. Depreciation and amortization:** Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

**b. Provision and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**c. Fair valuation:** Fair value is the market-based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.,

### 1.5 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest Lakhs.

### 1.6 Current and noncurrent classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of financial statements.

*Assets:* An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

*Liabilities:* A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

## 1.7 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction, if any.

## 1.8 Property, plant and equipment

### Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition

and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

### Directly attributable costs include:

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### Depreciation and Amortization

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on Schedule II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed of during the year, depreciation is provided on pro - rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Buildings	
i) Main Plant Building	30
ii) Other Building	60
Plant & Machinery	25
Lab Equipment	7.5
Material Handling	7.5
Fire fighting	7.5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

Expenditure incurred towards development eligible for capitalization are carried as intangible assets underdevelopment where such assets are not yet ready for their intended use.

## 1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### A. Financial Assets

#### 1) Initial Recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### 2) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

##### a) Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

##### b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

**c) Impairment of Financial Assets**

In accordance with Ind AS 109, expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset

that result from transactions that are within the scope of Ind AS 18. As Company trade receivables are realised within normal credit period adopted by the company, hence the financial assets are not impaired.

**d) De-recognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**B. Financial Liabilities****1) Initial Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.\

**2) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

**i) Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

**ii) Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

**iii) Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### Derivative financial instruments and hedging activities:

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at future date. Derivatives are recognised at fair value at the end of reporting period and are subsequently re-measured at their fair value at each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- a. hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- b. hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging

transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

**(a) Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**(b) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

**Fair value measurement**

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**3) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**1.10 Impairment of non-financial assets**

Intangible assets and property, plant and equipment, Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value

less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **1.11 Cash and Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks.

### **1.12 Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When

discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

#### **Contingent liabilities**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **Contingent assets**

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.



### **1.13 Revenue recognition**

Revenue is recognized, when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

### **1.14 Borrowing Costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

### **1.15 Tax Expenses**

#### **Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and

liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

#### **Deferred Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 1.16 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 1.17 Recent Accounting Pronouncements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 1.18 Impact of COVID-19 Key accounting judgements, estimates and assumptions.

The threats posed by the coronavirus outbreak are multi-fold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has

been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

**BALANCE SHEET AS AT 31.03.2020**

PARTICULARS	SCH	As at	As at
	No.	31.03.2020	31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and Equipment		0.00	0.00
Capital Work In progress		0.00	0.00
<b>Intangible assets</b>	2	92.50	92.50
<b>Financial assets</b>			
Investments		0.00	0.00
Other financial assets		0.00	0.00
<b>Deferred tax Asset (net)</b>	3	67.68	67.68
<b>Total current assets</b>		<u>0.00</u>	<u>0.00</u>
		<b>160.18</b>	<b>160.18</b>
<b>Current assets</b>			
<b>Inventories</b>		<b>0.00</b>	<b>0.00</b>
<b>Financial assets</b>			
Trade receivables		0.00	0.00
Cash and cash equivalent	4	2.74	0.60
Other financial assets		0.00	0.00
<b>Other current assets</b>		<b>2.74</b>	<b>0.60</b>
<b>Total Assets</b>		<u><b>162.92</b></u>	<u><b>160.78</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity Share Capital</b>	5	1020.00	1020.00
<b>Other Equity</b>	6	<u>(874.83)</u>	<u>(874.05)</u>
		<b>145.17</b>	<b>145.95</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings		0.00	0.00
<b>Deferred tax liabilities (net)</b>		-	-
Other Non-Current liabilities		0.00	0.00
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	7	2.92	0.00
Trade payables	8	14.83	14.83
Other Financial Liabilities			
<b>Liabilities for current tax (net)</b>			
<b>Provisions</b>		0.00	0.00
<b>Other current liabilities</b>		<u>0.00</u>	<u>0.00</u>
		<b>17.75</b>	<b>14.83</b>
<b>TOTAL Equity and Liability</b>		<u><b>162.92</b></u>	<u><b>160.78</b></u>

For NSVR & Associates LLP  
Chartered Accountants  
FRN: 008801S/S200060

For Baron Infotech Limited

**Bharani Ganapavarapu**  
Chairman  
DIN:08631433

**N V Gangadhara Rao**  
Partner  
M. No: 219486  
UDIN: 20219486AAAAACM8889

**Nageswara Rao Sabbarapu**  
Chief Financial Officer

**Kanchan Sharma**  
Company Secretary

Place: Hyderabad  
Date : 31/07/2020

**PROFIT & LOSS ACCOUNT FOR THE Year ENDED 31.03.2020**

PARTICULARS	SCH No.	For the year ending as on 31.03.2020	For the year ending as on 31.03.2019
<b>INCOME FROM OPERATIONS</b>			
Revenue from operations	9	8.83	5.48
Other income		0.00	0.00
<b>Total Revenue</b>		<b>8.83</b>	<b>5.48</b>
<b>Expenses</b>			
Cost of materials consumed		0.00	0.00
Purchase Stock in Trade	10	4.03	2.93
Employee benefits expense	11	1.25	1.16
Finance costs		0.00	0.00
Depreciation and amortization expense		0.00	0.00
Other expenses	12	4.33	9.19
<b>Total Expenses</b>		<b>9.61</b>	<b>13.28</b>
<b>Profit before tax</b>		<b>(0.78)</b>	<b>(7.80)</b>
Tax expense			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	13.54
<b>Profit for the year</b>		<b>(0.78)</b>	<b>(21.34)</b>
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss		0.00	0.00
Tax on items that will not be reclassified to profit or loss		0.00	0.00
		0.00	0.00
Items that will be reclassified to profit or loss:			
Tax on items that may be reclassified to profit or loss			
Items that may be reclassified subsequently to profit or loss			
Total other comprehensive income/(loss) for the year, net of tax		0.00	0.00
<b>Total comprehensive income for the year</b>		<b>(0.78)</b>	<b>(21.34)</b>
Earnings per share:			
Basic earnings per share of 10/-each	1-20	(0.01)	(0.21)
Diluted earnings per share of 10/- each		(0.01)	(0.21)

For **NSVR & Associates LLP**  
Chartered Accountants  
FRN: 008801S/S200060

For **Baron Infotech Limited**

**Bharani Ganapavarapu**  
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**Nageswara Rao Sabbarapu**  
Chief Financial Officer

**Kanchan Sharma**  
Company Secretary

Place: Hyderabad  
Date : 31/07/2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2020**

	31-03-2020	31-03-2019
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(0.78)	(7.79)
Adjustments for :		
Depreciation and amortization expense	0.00	0.00
Unrealised Foreign Exchange Gain	-	-
Gain on investments carried at fair value through profit or loss	0.00	0.00
Interest Received on Fixed Deposit	0.00	0.00
Interest & Finance Charges Paid	0.00	0.00
<b>Operating profit before working capital changes</b>	<b>(0.78)</b>	<b>(7.79)</b>
Movements in Working Capital		
(Increase)/Decrease in Inventories	0.00	0.00
(Increase)/Decrease in Other financial assets	0.00	0.00
(Increase)/Decrease in Trade Receivables	0.00	0.00
(Increase)/Decrease in Other Current Assets	0.00	0.00
(Increase)/Decrease in Other Non Current Assets	0.00	0.00
Increase/(Decrease) in Trade Payables	2.92	0.00
Increase/(Decrease) in Other financial liabilities	0.00	8.38
Increase/(Decrease) in Other Current liabilities	0.00	0.00
Increase/(Decrease) in Other Non Current liabilities	0.00	0.00
Changes in Working Capital	2.92	8.38
<b>Cash generated from operations</b>	<b>(2.14)</b>	<b>(0.58)</b>
Interest received on Deposits	0.00	0.00
Direct Taxes Paid	0.00	0.00
<b>Net Cash from operating activities (A)</b>	<b>(2.14)</b>	<b>(0.58)</b>
<b>Cash flows from Investing Activities</b>		
Purchase of Fixed Assets (Including CWIP)	-	0.00
Intangible Assets	0.00	0.00
Interest Received	-	-
<b>Net Cash used in Investing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash flows from/(used in) Financing Activities</b>		
Issue of Share Capital	-	-
Issue of Share Warrants	-	-
Share Application Money	-	-
Proceeds from Long term borrowings	-	-
Repayment/Proceeds of/from Short-term borrowings	0.00	0.00
Interest Paid	0.00	0.00
Corporate Dividend Tax	-	-
<b>Net Cash used in Financing Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(2.14)</b>	<b>(0.58)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>0.60</b>	<b>0.02</b>
<b>Cash and Cash equivalents at the ending of the year</b>	<b>2.74</b>	<b>0.60</b>

For NSVR &amp; Associates LLP

Chartered Accountants

FRN: 008801S/S200060

**N V Gangadhara Rao**

Partner

M. No: 219486

UDIN: 20219486AAAAACM8889

**Nageswara Rao Sabbarapu**

Chief Financial Officer

For Baron Infotech Limited

**Bharani Ganapavarapu**

Chairman

DIN:08631433

**Kanchan Sharma**

Company Secretary

Place: Hyderabad

Date : 31/07/2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2020**
**a. Equity Share Capital**

Amount in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the reporting period	1,020	1,020
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	<b>1,020</b>	<b>1,020</b>

**b. Other Equity**
**Statement of Changes in Equity**

Particulars	Retained Earnings	Securities Premium	Share forfeiture	Total
<b>Balance as at April 01, 2019</b>	<b>(874.05)</b>	-	-	<b>(874.05)</b>
Addition / (deletion) during the year / Period	-	-	-	-
Profit / (Loss) for the year	(0.78)	-	-	(0.78)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(0.78)	-	-	<b>(0.78)</b>
<b>Balance as at March 31, 2020</b>	<b>(874.83)</b>	-	-	<b>(874.83)</b>
<b>Balance as at April 01, 2018</b>	<b>(852.71)</b>	-	-	<b>(852.71)</b>
Addition / (deletion) during the year / Period	-	-	-	-
Profit / (Loss) for the year	(21.34)	-	-	(21.34)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(21.34)	-	-	<b>(21.34)</b>
<b>Balance as at March 31, 2019</b>	<b>(874.05)</b>	-	-	<b>(874.05)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**Note: 2 Property, plant and Equipment**
**(Rs. In Lakhs)**

Particulars	Gross carrying value				Accumulated Depreciation				Net carrying value		
	As at 1st April 2019	Additions	disposals	As at 31st March 2020	As at 1st April 2019	For the year	disposals	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019	
Tangible Assets	-	-	-	-	-	-	-	-	-	-	
Capital Work in Progress	92.50	-	-	92.50	-	-	-	-	92.50	92.50	
<b>Total</b>	<b>92.50</b>	<b>-</b>	<b>-</b>	<b>92.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92.50</b>	<b>92.50</b>	

**Note: 3 Deferred Tax Assets (Net)**
**(Rs. in Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Deferred Tax Asset	67.68	81.22
Add: Additions during the year	0.00	
Less: Deletions during the year	0.00	13.54
<b>Closing deferred Tax Asset</b>	<b>67.68</b>	<b>67.68</b>

**Note: 4 Cash and Cash Equivalents**
**(Rs. in Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>a) Cash and Cash equivalents</b>		
i) Cash on hand	2.74	0.60
ii) Balances with banks		
- Current Accounts	-	-
<b>b) Other Bank Balances (with restricted use)</b>		
(i) Deposit A/c	-	-
(ii) Share Application Money	-	-
<b>Total</b>	<b>2.74</b>	<b>0.60</b>

**Note: 5 Equity Share Capital**
**(Rs. in Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Authorized Share Capital</b>		
1,10,00,000 Equity Shares of Rs.10 each (Previous year :1,10,00,000 Equity Shares of Rs.10 each)	1100.00	1100.00
<b>Issued, Subscribed and Paid up Share Capital</b>		
1,02,00,000 Equity Shares of Rs.10 each (Previous year :1,02,00,000 Equity Shares of Rs.10 each)	1020.00	1020.00
<b>Total</b>	<b>1020.00</b>	<b>1020.00</b>

Details of shareholders holding more than 5% shares	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% Holding	No. of shares	% Holding
None of the Shareholder has Shareholding exceeding 5% during the Current year	-	-	-	-

**5.1 Reconciliation of Number of Shares :**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Number of Shares at the beginning of the year	102	102
Add: Share issue during the year	0.00	0.00
Less: Shares forfeited	0.00	0.00
<b>Number of Shares at the end of the year</b>	<b>102.00</b>	<b>102.00</b>

**5.2 Rights attached to equity shares**

The Company has only one class of equity shares having a face value of Rs.10 /- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders



**Note: 6 Other Equity**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>General Reserve</b>		
Opening Balance	-	-
Add: Transfers during the year	-	-
<b>Capital Reserve</b>		
Opening Balance	-	-
Add: Transfers during the year	-	-
<b>Securities Premium</b>		
Opening Balance	-	-
Add: Premium received on issue of Shares	-	-
<b>Money Received against Share Warrants</b>		
Opening Balance	-	-
Add: Received in Current year	-	-
<b>Retained Earnings</b>		
Opening Balance	(874.05)	(852.71)
Add: Net profit transferred from the Statement of Profit and Loss	(0.78)	(21.34)
	<b>(874.83)</b>	<b>(874.05)</b>
<b>Adjustments:</b>		
Deferred Tax	-	-
Net change in fair value of FVTPL investments and others	-	-
<b>Closing Balance</b>	<b>(874.83)</b>	<b>(874.05)</b>

**Note: 7 Trade Payables**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to Micro & Small Enterprises	-	-
Dues to others	2.92	-
Payable to others	-	-
<b>Total</b>	<b>2.92</b>	<b>-</b>

**Note: 8 Other Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Financial Liabilities	14.83	14.83
<b>Total</b>	<b>14.83</b>	<b>14.83</b>

**Note: 9 Revenue from operations**

(Rs. In Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue from	-	-
Export sales	-	-
Domestic sales	8.83	5.48
Other operating revenue	-	-
<b>Total</b>	<b>8.83</b>	<b>5.48</b>

**Note: 10 Purchase of stock in Trade**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Purchases	4.03	2.93
<b>Total</b>	<b>4.03</b>	<b>2.93</b>

**Note: 11 Employee benefit Expenses**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Salaries and Wages	1.25	1.16
Contribution to Provident and other funds	-	-
Staff Welfare	-	-
<b>Total</b>	<b>1.25</b>	<b>1.16</b>

**Note: 12 Other Expenses**
**(Rs. In Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Repairs and maintenance charges	-	-
Audit Fees	0.50	0.50
Loading & Boarding expenses	1.95	1.30
Fees and Licenses	2.56	6.57
Office Expenses	-	-
Insurance	-	-
Rent	0.24	-
Printing & Stationery	0.09	-
Other Miss Expenses	0.06	0.81
<b>Total</b>	<b>5.40</b>	<b>9.18</b>

**13. Auditors Remuneration**

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Audit fees	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**14. Earnings per Share**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Earnings</b>		
Profit attributable to equity holders	<b>(0.78)</b>	<b>(21.34)</b>
<b>Shares</b>		
Number of shares at the beginning of the year	102	102
<i>Add: Equity shares issued</i>	-	-
<i>Less: Buy back of equity shares</i>	-	-
Total number of equity shares outstanding at the end of the year	102	102
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>102</b>	<b>102</b>
<i>Earnings per share of par value Rs.10/- – Basic ( ` )</i>	(0.01)	(0.209)
<i>Earnings per share of par value Rs.10/- – Diluted ( ` )</i>	(0.01)	(0.209)

**15. Related Parties**

There were no related party transactions during the year 2019-20

**16. Earnings/expenditure in foreign currency:*****Expenditure in Foreign currency:***

Particulars	he year ended 31 March 2020	he year ended 31 March 2019
Purchase of Raw Materials/Packing Materials	0.00	0.00
Other expenses	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

***Earnings in Foreign currency:***

Particulars	he year ended 31 March 2020	he year ended 31 March 2019
FOB Value of Exports	0.00	0.00
Foreign Exchange Gain	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**17. Segment Reporting:**

The Company concluded that there is only one operating segment i.e., Developing of software products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

**18. Financial Risk Management:**

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

**a. Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

**Trade Receivables-** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Other than trade receivables, the Company has no significant class of financial assets that are past due or impaired as at 31<sup>st</sup> March, 2020.

**b. Liquidity Risks:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

As of 31 March 2020, the Company had working capital (current assets less current liabilities) of Rs. (15.01) Lakhs including cash and cash equivalents of Rs 2.74 Lakhs. As of 31st March 2019, the

Company had working capital (current assets less current liabilities) of Rs. (14.23) Lakhs including cash and cash equivalents of Rs.0.60 Lakhs

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020:

Particulars	2021	2022	2023	Thereafter	Total
Trade payables	2.92	-	-	-	<b>2.92</b>
Long term borrowings	-	-	-	-	-
Bank overdraft, short-term loans and borrowings*	14.83	-	-	-	<b>14.83</b>
Other liabilities*	-	-	-	-	-
Trade payables	2.92	-	-	-	<b>2.92</b>

### Foreign currency risk

The Company is not exposed to currency risk as the company don't have payables in foreign currency on account of its borrowings and other payables in. The functional currency of the Company is Indian Rupee.

### Interest rate risk

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

## CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic

investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows

(Rs. In Lakhs)

Particulars	2020	2019
Total Debt	17.75	14.83
Total Equity	145.17	145.95
<b>Debt Equity Ratio</b>	<b>0.12:1</b>	<b>0.10:1</b>

### 19. Income Taxes:

#### *Deferred tax assets & Liabilities:*

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

(Rs. In Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<i>Deferred tax assets/(liabilities):</i>		
<b>Property, plant and equipment</b>	67.68	67.68
Others	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>67.68</b>	<b>67.68</b>

**20. Contingent Liabilities and Commitments:**

The following are the details of contingent liabilities and commitments:

Particulars	2020	2019
<b><i>Contingent Liabilities</i></b>		
a) Claims against the company/disputed liabilities not acknowledged as debts	0.00	0.00
b) Guarantees		
Bank Guarantees	0.00	0.00
<b>Total</b>	0.00	0.00

\*\*\*\*\*



**Baron Infotech Limited**

CIN: L72200TG1996PLC025855

Registered Office: 1-8-313, 4th Floor, Linus Building,

Chiran Fort Lane, Begumpet, Secunderabad - 03

● e-mail: [info@baroninfotech.com](mailto:info@baroninfotech.com)● Website: [www.baroninfotech.com](http://www.baroninfotech.com)**ADMISSION SLIP**

Serial No.	
Folio No /Client ID/ DP Id	
Name of the sole/ first member(s)	
Registered Address	
Name(s) of joint member(s), if any	
No. of shares held	

I certify that I am/ we am/ are Member(s) / Proxy for the Member(s) of the Company.

Please (v) in the box

 Member     ProxyI/ We hereby record my/ our presence at the 23<sup>rd</sup> Annual General Meeting of the Company on 30<sup>th</sup> September, 2020 at 10:00 A.M. at 504, Micasa Flora, Durga Enclave, Kompally, Secunderabad, Hyderabad- 500014.

Name of the Proxy in Block Letters

Signature of Member / Proxy attending

## NOTES:

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

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

**ELECTRONIC VOTING**Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 23<sup>rd</sup> AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note No.: 16 to the Notice dated 5<sup>th</sup> September 2020 convening the AGM for the procedure with respect to e-voting.

**Baron Infotech Limited**

CIN: L72200TG1996PLC025855

Registered Office: 1-8-313, 4th Floor, Linus Building,

Chiran Fort Lane, Begumpet, Secunderabad - 03

● e-mail: [info@baroninfotech.com](mailto:info@baroninfotech.com)● Website: [www.baroninfotech.com](http://www.baroninfotech.com)**Form No.MGT-11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)]

CIN	L72200TG1996PLC025855
Name of the Company	Baron Infotech Limited
Registered Office	1-8-313, 4th Floor, Linus Building, Chiran Fort Lane, Begumpet, Secunderabad - 14
Name of the member(s)	
Registered Address	
e-mail Id	
Folio No./Client Id/ DP Id	

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

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/ her

as my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 23<sup>rd</sup> Annual General Meeting (AGM) of the Company to be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 10.00 A.M. at 504, Micasa Flora, Durga Enclave, Kompally, Secunderabad- 14, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
<b>ORDINARY BUSINESS</b>	
1	Adoption of Financial Statements
2	Appointment of Mr. Bharani Ganapavarappu (DIN: 08631433), who retires by rotation, and being eligible, offers himself for re-appointment
3	Re-Appointment of Statutory Auditors
<b>SPECIAL BUSINESS</b>	
4	Appointment of Mr. Bharani Ganapavarapu (DIN: 08631433), as a Whole-Time Director of the Company
5	Re-appointment of Ms. Kamala Kumar Nadimpally (DIN: 07142555) as an Independent Director of the Company
6	Re-appointment of Mr. Pokuri Srinivasa Rao (DIN: 07151066) as an Independent Director of the Company
7	Re-appointment of Mr. Vishnu Vardhan Reddy Billa (DIN: 07151065) as an Independent Director of the Company

Signed this \_\_\_\_\_ day of September, 2020      Signature of shareholder(s):

Signature of proxy      :



Affix  
Revenue

**NOTES:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM i.e. by 10:00A.M. on 28<sup>th</sup> September, 2020.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other member.

**Baron Infotech Limited**

CIN: L72200TG1996PLC025855

Registered Office: 1-8-313, 4th Floor, Linus Building,

Chiran Fort Lane, Begumpet, Secunderabad - 14

 • e-mail: [info@baroninfotech.com](mailto:info@baroninfotech.com) • Website: [www.baroninfotech.com](http://www.baroninfotech.com)
**Form No. MGT-12**
**POLLING PAPER**
*[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

CIN	L72200TG1996PLC025855
Name of the Company	Baron Infotech Limited
Registered Office	1-8-313, 4th Floor, Linus Building, Chiran Fort Lane,
Name of the member(s)	
Registered Address	
E-mail Id	
Folio No./Client Id/ DP Id	
Number of Equity shares held	

I hereby exercise my vote in respect of Ordinary/Special Resolution(s) enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Rsln. No.	Description	Optional (v)	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of Financial Statements		
2	Appointment of Mr. Bharani Ganapavarappu (DIN: 08631433), who retires by rotation, and being eligible, offers himself for re-appointment		
3	Re-Appointment of Statutory Auditors		
<b>SPECIAL BUSINESS</b>			
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7	Re-appointment of Mr. Vishnu Vardhan Reddy Billa (DIN: 07151065) as an Independent Director of the Company		

Place:

Date:

(Signature of the Shareholder)

ROUTE MAP

