



BAID LEASING AND FINANCE COMPANY LTD.

**14TH
ANNUAL REPORT
2004-2005**

**FRIENDSHIP OF THOSE WHOM WE SERVE IS FOUNDATION
OF OUR PROGRESS**

BOARD OF DIRECTORS

- | | |
|-------------------------------|---------------------|
| 1. PANNALAL BAID | Managing Director |
| 2. RAKESH BAID | Whole Time Director |
| 3. BINOD CHORARIA | Director |
| 4. CHANDRA BHAN SINGHI | Director |
| 5. SURENDRA SHARMA | Director |

AUDITORS

SHARMA NARESH & ASSOCIATES
Chartered Accountants, Jaipur

BANKERS

THE BANK OF RAJASTHAN LTD.

CORPORATE ADVISORS

V.M. & ASSOCIATES
Company Secretaries, Jaipur

REGISTRAR, TRANSFER AGENT & DEMAT REGISTRAR :

MCS LIMITED

Shri Venkatesh Bhawan, W-40,
Okhla Industrial Area, New Delhi-110020

REGISTERED OFFICE :

"BAID HOUSE"

1, Taranagar, Ajmer Road,
JAIPUR-302 006



BAID LEASING AND FINANCE COMPANY LTD.

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of BAID LEASING AND FINANCE COMPANY LIMITED will be held on Friday, the 30th Day of September, 2005 at 11.00 A.M. at the registered office at "Baid House", 1, Tara Nagar, Ajmer Road, Jaipur – 302 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005, Profit and Loss Account for the year ended as on that date together with the reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Surendra Sharma, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditor and to fix their remuneration.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULE TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.**
2. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at Registered Office at least 7 days before the date of the Meeting so that the required information can be made available at the Meeting.
3. Register of Members and the Share Transfer Books of the Company shall remain closed from 28th September, 2005 to 30th September, 2005 (both days inclusive).
4. The Information and details of the director proposed to be appointed/reappointed to be provided in terms of clause 49 of listing agreement with stock exchange is attached.

BY ORDER OF THE BOARD

Date : 30/07/2005
Place : JAIPUR

Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR

**BAID LEASING AND FINANCE COMPANY LTD.****ANNEXURE TO THE AGM NOTICE**

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO
CLAUSE 49 OF LISTING AGREEMENT

Name of Director Surendra Sharma

Date of Birth 01/07/1950

Date of Appointment 19/03/2004

Designation Director

Expertise in specific Functional areas Marketing

Qualifications Graduate

**Name of Companies in Which Directorship held
as on 31.03.2005** Creative Granites Pvt Ltd.

**Member of the Committees
Of the Board of other Companies
as on 31.03.2005** Nil



BAID LEASING AND FINANCE COMPANY LTD.

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their 14th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS:

	31.03.2005 (Rs. in lakhs)	31-03-2004 (Rs. in lakhs)
Profit before Depreciation & Tax	(49.27)	(60.48)
Less : Depreciation	5.49	21.96
Profit before Taxation	(54.75)	(82.44)
Less : Provision for Taxation	6.38	5.75
Profit after Tax	(61.13)	(88.19)
Add: Balance brought forward	184.36	255.48
Add: Income Tax & MAT Adjustment	-	17.07
Surplus available for appropriation (Carried forward to Next Year)	123.23	184.36

DIVIDEND

In view of sluggish market conditions in leasing, hire purchase, investments etc. and in order to conserve resources of the company for future plans, your directors do not recommend payment of any dividend for the year ended 31st March, 2005.

OPERATIONS

The performance of the company during the year under review has been satisfactory considering the depressed market conditions. The total income was of Rs. 214.21 Lacs in comparison of Rs.227.17 Lacs during the previous year.

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposit from the public during the year under review.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri Surendra Sharma, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

M/s Sharma Naresh & Associates, Chartered Accountants retire at the forthcoming Annual General Meeting. They offer for reappointment. Company has received their eligibility certificate in pursuant to section 224 (1B) of the Companies Act, 1956

The explanation given in Auditor's report and notes on accounts are self explanatory and does not call for any comments.

**BAID LEASING AND FINANCE COMPANY LTD.****PARTICULARS OF EMPLOYEES**

None of the Employee's of the company was in receipt of the remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 as amended, during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

The particulars regarding foreign exchange earnings and expenditure is NIL. Since your company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

CORPORATE GOVERNANCE

The Company has implemented all the provisions of the Corporate Governance as stipulated by Clause 49 of the listing agreements with all the stock exchanges where the Company's securities are listed. It has always been a constant endeavour of the Company to adopt good corporate governance code through independent Board, transparent disclosures and shareholders empowerment for creating and sustaining shareholder value. A separate section on Corporate Governance alongwith a certificate from the auditors of the Company certifying compliance of stipulations of Clause 49 of listing agreements with the stock exchanges with regards to the Corporate Governance code is present elsewhere.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is annexed and forms part of the Director's Report.

DIRECTOR'S RESPONSIBILITIES STATEMENTS:

Your director's confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
2. That the director's have selected such accounting policies & applied them consistently & made judgement & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year & of the Profit or Loss of the company for the year.
3. That the director's have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
4. That the director's have prepared the annual accounts on a going concern basis.

APPRECIATION

Your Board of directors wishes to express it's deep appreciation and gratitude to all Employees, Banker,



BAID LEASING AND FINANCE COMPANY LTD.

Shareholders and Clients for their sustained support, without which the continuing progress of the Company would no have been possible.

BY ORDER OF THE BOARD

Date : 30/07/2005

Place : Jaipur

Sd/-

**(PANNA LAL BAID)
MANAGING DIRECTOR**

Sd/-

**(RAKESH BAID)
WHOLE TIME DIRECTOR**

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**BAID LEASING AND FINANCE COMPANY LTD.****MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian economy is striving on a relatively strong path. The Financial Sector has shown significant changes in terms of its business. Your Company being in financial sector is still facing barriers due to involvement of Multinational Company in the sector. The company has incurred losses during the year under review.

OUTLOOK ON OPPORTUNITIES

The Board of Directors are hopeful to get good business in the current financial year with some sound business proposals.

OUTLOOK ON THREATS, RISKS AND CONCERNS

Since the company is dealing in Finance and Investment Sector where Competition with Bank and Private Sector are on peak and lending rate has reduced to a nominal level and investment sector is also affected on international trend. Hence, both the sector need to be very cautious and challenging business.

The reduction in profit margin, intense competition from Banks and International Private Sector, rising overhead cost, tension in International Arena and changes in Govt. Policies may affect the business of Finance and Investment in general, which may adversely effect Company's Profit.

INTERNAL CONTROL SYSTEM

The Company has established its internal control system commensurate with the requirement of its size. The Finance Department of the company is well staffed with experienced and qualified personnel who will play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements.

INFORMATION TECHNOLOGY

The company has been using the best possible information technology as a management tool for internal control. The Company continues to invest reasonable into information technology for monitoring operation.

HUMAN RESOURCE MANAGEMENT

Human resources are a valuable asset for any organisation. The company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals.

BY ORDER OF THE BOARD

Date : 30/07/2005
Place : Jaipur

Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR

Sd/-
(RAKESH BAID)
WHOLE TIME DIRECTOR



BAID LEASING AND FINANCE COMPANY LTD.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance envisages working towards high levels of transparency, accountability and responsibility, fairness, consistent value systems, delegation, across all facts of its operations leading to sharply focussed and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities. The Company is committed to learn and adopt the best practices of corporate governance.

BOARD COMPOSITION AS ON 31st MARCH, 2005

Name of Directors	Category	Board Meetings Attended during the year	Attendance At last AGM	No of Directorships Held in other Companies	Committee Position in other public company
Sh. Panna Lal Baid	Promoter & Executive Director	10	Yes	Nil	Nil
Shri Rakesh Baid	Promoter & Executive Director	10	Yes	Ganpati Holding Pvt. Ltd.	Nil
Shri Binod Choraria	Non-Executive & Independent Director	8	Yes	1. Tirupati Industrial Resources Ltd. 2. Amby Properties Pvt. Ltd. 3. G.M.C. Company Pvt. Ltd 4. BKC Securities & Shares Pvt. Ltd. 5. Sidh Capital Research Pvt. Ltd.	Nil
Shri Chandra Bhan Singhi	Non-Executive & Independent Director	7	Yes	Nil	Nil
Shri Surendra Sharma	Non-Executive & Independent Director	8	No	Creative Granites Pvt. Ltd.	Nil

The Board duly met 10 times during the year 25.04.2004, 03.05.2004, 15.06.2004, 26.07.2004, 18.08.2004, 30.10.2004, 06.12.2004, 05.01.2005, 29.01.2005, 30.03.2005

COMMITTEES OF THE BOARD

In accordance with the Listing Agreement of the stock exchanges on Corporate Governance, the following committees, comprising highly experienced and professional board members, were in operation:

1. Audit Committee



BAID LEASING AND FINANCE COMPANY LTD.

2. Share Transfer / Investor Grievances Committee
3. Remuneration Committee

AUDIT COMMITTEE

The audit committee has been re-constituted, during the year, as per the Listing Agreements with the Stock Exchange. The terms of reference include:-

1. To provide directions and oversee comprehensively the operations of the internal & external audit functions and financial reporting.
2. To review the internal control systems with emphasis on the accounting system, its quality and its effectiveness in terms of follow-up.
3. To recommend appointment/removal and remuneration of statutory auditors.
4. To discuss with the statutory and finalisation of annual accounts.

Name of Member	Category	Capacity	No. of meetings Attended
Shri Chandra Bhan Singhi	Non-Executive & Independent Director	Chairman	5
Shri Binod Choraria	Non-Executive & Independent Director	Member	5
Shri Surendra Sharma	Non-Executive & Independent Director	Member	5

During the year, 5 meetings of the Audit committee were held on 15.06.2004, 26.07.2004, 18.08.2004, 30.10.2004, 29.01.2005.

SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The Shares Transfer / Investor Grievances Committee is as under:

- | | |
|-------------------------|----------|
| 1. Shri Surendra Sharma | Chairman |
| 2. Sh. Binod Choraria | Member |
| 3. Sh. Rakesh Baid | Member |

The Board has designated Mahendra Kumar Baid as the Compliance officer.

At present the Shares Transfer / Investor Grievances Committee is looking after all the matters connected to shareholders/investors grievances viz. transfer of shares and other matters relating to investors/shareholder grievances.

During the year, 6 meetings of the Committee were held. There is no complaint pending for satisfaction of shareholders/investors.

REMUNERATION COMMITTEE

The Remuneration Committee consists of 3 non-executive Directors viz. Shri Chandra Bhan Singhi (Chairman), Shri Binod Choraria (Member) and Shri Surendra Sharma (Member).

The terms of reference of the Remuneration Committee includes among others : To review, assess and recommend to the Board the appointment of executive and non-executive Directors and compensation