



BAID LEASING AND FINANCE COMPANY LTD.

NOTICE

NOTICE is hereby given that the 21ST Annual General Meeting of the Members of BAID LEASING AND FINANCE CO. LIMITED will be held on Saturday, 28th July, 2012 at 11.30 A.M., at 3, Jaipur Towers, M. I. Road, JAIPUR - 302001 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Binod Kumar Choraria who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint M/s. Sharma Naresh & Associates, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To appoint Mr. Monu Jain as a Director and if thought fit to pass with or without modification (s), the following resolution as the ORDINARY RESOLUTION :-
“**RESOLVED THAT** Mr. Monu Jain, who was appointed as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from one of its Member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) MAY APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER.**
THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 25th July, 2012 to 28th July, 2012 (both days inclusive).
4. The company is concerned about the environment & utilizes natural resources in a sustainable way recently, the Ministry of Corporate Affairs (MCA), Government of India, through its circular Nos. 17/2011 & 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance, Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meeting, financial statements, director's report, auditors report etc. to the email address provided by you with your depositories.
We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.
5. Members are requested to bring their personal copy of Annual Report to the Meeting.
6. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following explanatory statement sets out all material facts relating to the special Business mentioned in the accompanying Notice :



BAID LEASING AND FINANCE COMPANY LTD.

ITEM No. 4

Mr. Monu Jain was appointed as an Additional Director of the Company in the Board Meeting held on 22nd November, 2011. As per the provisions of Section 260 of the Act read with Article 134 of the Articles of Association of the Company, the director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Monu Jain for the Office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

Mr. Monu Jain, director of Company, is concerned or interested in this resolution. None of the others directors are interested in the said resolution.

The Board of Directors recommends the resolution for approval.

BY ORDER OF THE BOARD

Date: 19/05/2012

Place: Jaipur

Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Details of Directors seeking Re-appointment in Annual General Meeting pursuant to clause 49 of Listing Agreement

| | | |
|--|--|--|
| Name of Director | Binod Kumar Choraria | Monu Jain |
| Date of Birth | 09.07.1956 | 30.09.1982 |
| Date of Appointment | 13/05/1994 | 22/11/11 |
| Designation | Director | Director |
| Expertise in specific functional areas | Finance | Marketing |
| Qualifications | B. Com | MBA |
| Name of Companies in which Directorship was held on 31 st March, 2012 | 1. Tirupati Industrial Resources Ltd. 2. G. M. C. Company Pvt. Ltd. 3. BKC Securities & Shares Pvt. Ltd. 4. Sidh Capital Research Pvt. Ltd. | NIL |
| Member of the Committees of the Board as on 31 st March, 2012 | Audit Committee - Member Share Transfer/Investor Grievance Committee - Member Remuneration Committee - Member | Audit Committee - Member Share Transfer/Investor Grievance Committee - Chairman Remuneration Committee - Member |

BY ORDER OF THE BOARD

Date: 19/05/2012

Place: Jaipur

Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR

**DIRECTORS' REPORT****To The Members,**

Your Directors have pleasure in presenting their 21st Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

| FINANCIAL RESULTS: | 31.03.2012 (Rs. in lakhs) | 31-03-2011 (Rs. In lakhs) |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Profit before Depreciation & Tax | 97.41 | 94.99 |
| Less : Depreciation | 3.13 | 1.42 |
| Profit before Taxation | 94.28 | 93.56 |
| Less : Provision for Taxation | 29.87 | 32.23 |
| Profit after Tax | 64.41 | 61.33 |
| Add: Balance brought forward | 295.43 | 247.10 |
| Surplus available for appropriation | 359.84 | 308.43 |
| Less : Transfer to Special Reserve | 130.00 | 130.00 |
| Carried forward to Next Year | 346.84 | 295.43 |

DIVIDEND

In order to conserve resources of the company for future plans, your directors did not recommend payment of any dividend for the year ended 31st March, 2012.

OPERATIONS

The performance of the company during the year under review has been satisfactory. The total income was of Rs. 964.04 Lacs in comparison of Rs. 376.57 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.

AUDITORS

M/s Sharma Naresh & Associates, Chartered Accountants retire at the ensuing Annual General Meeting. They offer for re-appointment. 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 do not call for any comments.

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.

The Particulars relating to Foreign Exchange Earnings and Outgo are NIL.

**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.

POSTAL BALLOT

A Special Resolution for authorizing the Board of Directors to amend the main object clause of the Memorandum of Association of the Company u/s 17 of the Companies Act 1956, by adding the sub clause 4 and 5 after the existing sub-clause 3 of Clause III (A) of the Memorandum of Association of the Company as contained in a Notice to the Shareholders dated 04th April, 2011 was passed during the year under Postal Ballot. CS Manoj Maheshwari, Practising Company Secretary was appointed as the Scrutinizer for the Postal Ballot process.

Details of Voting are as follows :

| No. of Shareholders | No. of Shares | Total Votes | No. of Votes in Favour | No. of Votes Against | Invalid Votes |
|---------------------|---------------|-------------|------------------------|----------------------|---------------|
| 32 | 3528400 | 3528400 | 3528400 | NIL | NIL |

The procedure prescribed under section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolution mentioned above. The result of the Postal Ballot was announced by Mr. Panna Lal Baid, Managing Director of the Company at the registered office of the Company on 07th May, 2011 and advertised in the newspapers.

CHANGE OF REGISTERED OFFICE OF THE COMPANY

During the Financial Year, pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Company has shifted its registered office within the local limits of city, from "BAID HOUSE", 1, Taranagar, Ajmer Road, Jaipur - 302006 to 3, Jaipur Towers, M. I. Road, Jaipur - 302001.

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.

BOARD OF DIRECTORS**Retire by Rotation**

Shri Binod Kumar Choraria, Director of the Company whose period of office is liable to retire by rotation pursuant to the provisions of Companies Act, 1956 and Article 89 of the Articles of Association of the Company retires by rotation and being eligible offer himself for re-appointment.



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During the Year Mr. Monu Jain was appointed as on Additional Director of the Company w.e.f. 22.11.2011 & due to sad demise of Mr. Surendra Dev Sharma, he ceased from Directorship of the Company w.e.f. 22.11.2011. Mr. Monu Jain is sought to be regularised in the ensuing AGM.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your directors' 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 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.

LISTING OF EQUITY SHARES

Your Company continues to be Listed with BSE & DSE.

APPRECIATION

Your Board of directors wishes to express it's deep appreciation and gratitude to all Employees, Bankers, 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 : 19/05/2012

Place : Jaipur

**Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR**

**Sd/-
(RAKESH BAID)
WHOLE TIME DIRECTOR**



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

The Indian economy is striving on a relatively strong path. The Country's foreign exchange reserves continued to rise as fill inflow in the country increased rapidly, The Financial Sector has shown significant changes in terms of its business as Liquidity in the system continued to be comfortable with low interest rate. Your Company being in financial sector and is continued to reel under pressure from the Banking Industry which has penetrated into almost all the segments of the financial services sector. In the highly competitive environment in which the NBFC'S are presently working, they have no option but to streamline and optimize their operations to adapt to the emerging scenario.

OUTLOOK ON OPPORTUNITIES

The equity markets continued to remain upbeat during the year, The increase in asset values in the real estate sector, the growth in industry, trade and commerce had lead to significant increase in overall credit off-take, Your Board of Director's intends to increase its thrust on good business in the current financial year, However, rising rate of interests would effect the business of the Company in future.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The NBFC sector in which your company operates, has been facing competitive pressure from Banks and Financial Institutions, making it increasingly difficult to generate revenues. The shrinking of interest spreads has put further pressure compelling them to look for new avenues for revenue generation and investment sector is also affected on international trend. Hence, both the sector need to be very cautious and challenging business.

The profit margin have increased due to better marketing efforts of our people at rural markets. We have been able to disburse maximum finance in rural market where company is able to achieve better rates as the competition is low in that area.

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 constantly endeavoring to source and develop skilled manpower at all levels. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. Total number of employees as on 31st March 2012 stood at 19.

BY ORDER OF THE BOARD

Date : 19/05/2012
Place : Jaipur

Sd/-
(PANNA LAL BAID)
MANAGING DIRECTOR

Sd/-
(RAKESH BAID)
WHOLE TIME DIRECTOR

**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, 2012

The Board of Directors consists of two Executive Directors and 3 Non-Executive & Independent Directors, as under : -

| 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 DIN : 00009897 | Promoter & Executive Director | 9 | Yes | Nil | Nil |
| Shri Rakesh Baid DIN : 00009926 | Promoter & Executive Director | 9 | Yes | Nil | Nil |
| Shri Binod Choraria DIN : 00104267 | Non-Executive & Independent Director | 9 | Yes | Nil | Nil |
| Shri Chandra Bhan Singhi DIN : 0105595 | Non-Executive & Independent Director | 9 | Yes | Nil | Nil |
| Shri Surendra Dev Sharma DIN : 02380447 | Non-Executive & Independent Director | 6 | Yes | Nil | Nil |
| Shri Moni Jain DIN : 02609467 | Non-Executive & Independent Additional Director | 3 | N.A. | Nil | Nil |

The Board duly met 09 Nine times during the year 04/04/2011, 21/05/2011, 16/07/2011, 18/07/2011, 10/08/2011, 14/11/2011, 22/11/2011, 13/02/2012, 13/03/2012.

The Board performs all the specific functions in compliance with the requirement of clause 49 of listing agreement. No Director of the Company was a Member in more than 10 committees or Acted as Chairperson of more than five committees across all Companies in which he was a director.

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

AUDIT COMMITTEE

The terms of reference of Audit Committee 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.
5. Other matters as specifically given in clause 49 of listing agreement.

| Name of Member | Category | Capacity | No. of meetings Attended |
|---|---|----------|--------------------------|
| Shri Chandra Bhan Singhi | Non-Executive & Independent Director | Chairman | 4 |
| Shri Binod Choraria | Non-Executive & Independent Director | Member | 4 |
| Shri Surendra Sharma Upto 22/11/2011 | Non-Executive & Independent Director | Member | 3 |
| Shri Monu Jain w.e.f. 22/11/2011 | Non-Executive & Independent Additional Director | Member | 1 |

During the year, 4 meetings of the Audit committee were held on 21/05/2011, 10/08/2011, 14/11/2011, 13/02/2012. The Statutory Auditors and the Chief Financial Officer were also invited to attend and Participate at the Meetings of the Committee.

SHARE TRANSFER / INVESTOR GRIEVANCE COMMITTEE

The Shares Transfer / Investor Grievances Committee is as under:

| Name of Member | Category | Capacity |
|----------------------|---|----------|
| Shri Surendra Sharma | Non-Executive & Independent Director | Chairman |
| Shri Monu Jain | Non-Executive & Independent Additional Director | Chairman |
| Shri Binod Choraria | Non-Executive & Independent Director | Member |
| Shri Rakesh Baid | Non-Executive & Independent Director | 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, no 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), Shri Surendra Sharma (Member) upto 22/11/2011 and Shri Monu Jain (Member) from 22-11-2011.

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 payable; To consider and recommend human resource policies relating to compensation and performance management.

During the financial year ended on 31st March, 2012, 1(one) meeting of Remuneration Committee was held on 18/07/2011. The Company does not have any employees stock option scheme.

Remuneration of Directors

The non-executive Directors do not draw any remuneration including the sitting fee. The details of the remuneration paid to the Managing Director and Whole Time Director for the financial year 2011-2012 is as under:

- | | |
|------------------------|-----------------------|
| 1. Shri Panna Lal Baid | Lumpsum Rs.1,80,000/- |
| 2. Shri Rakesh Baid | Lumpsum Rs.1,44,000/- |

Shareholding of Non-Executive Directors as on 31st March, 2012

| Name | No. of shares | %age |
|---|---------------|------|
| 1. Shri Binod Choraria | Nil | - |
| 2. Shri Chandra Bhand Singhi | 5000 | .081 |
| 3. Shri Surendra Sharma Upto 22.11.2011 | Nil | - |
| 4. Shri Monu Jain | Nil | - |

GENERAL BODY MEETINGS**1. General Meetings :****(a) Annual General Meeting**

| Details of Meeting | Day & Date | Time | Venue of Meeting |
|---|---------------------------|------------|--|
| Annual General 18 th Meeting | Saturday, August 8, 2009 | 11.00 a.m. | 'Baid House', 1, Tara Nagar, Ajmer Road, Jaipur. |
| Annual General 19 th Meeting | Saturday, July 31, 2010 | 11.30 a.m. | 'Baid House', 1, Tara Nagar, Ajmer Road, Jaipur. |
| Annual General 20 th Meeting | Saturday, August 20, 2011 | 11.30 a.m. | 'Baid House', 1, Tara Nagar, Ajmer Road, Jaipur. |

No special resolution was proposed at the aforesaid annual general meetings.

(b) Extra ordinary General Meeting

No Extra ordinary General Meeting of the Members was held during the year.

2. Postal Ballot :

During the year, postal ballot was Conducted for change in object clause of the company. The result of the same was declared on 07.05.2011

**DISCLOSURES**

1. There are no materially significant transactions with related parties i.e., promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest.
2. During the last three years, no penalties or strictures have been imposed on the company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital market.

CODE OF CONDUCT

The Code of Conduct was formally adopted by the Board and is applicable on all Directors and Senior Management personnel of the Company. The declaration from Managing Director & CEO that all Board Members and other concerned have complied with the code is appended to and forms part of the Report.

CEO/CFO CERTIFICATE

Certificate from CEO / CFO for the financial year ended March 31, 2012, has been provided elsewhere in the annual Report.

MEANS OF COMMUNICATION

1. In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after they are taken on record. The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement. The company is also in the process of ensuring compliance of EDIFAR filing of its financial results.
2. Management Discussions and Analysis Report forms part of the Report of Directors.
3. The Company has adopted a Whistle Blower policy and has established the necessary mechanism in line with clause 7 of Annexure 1D to Clause 49 of the listing agreement with the Stock Exchange, for employees to report concerns about unethical behaviour. No personnel has been denied access to the audit committee.

GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| 1. Annual General Meeting - Date & Time - Venue - Financial Year | : Saturday, 28 th July, 2012 at 11.30 a.m. : 3, Jaipur Towers, M.I. Road, Jaipur - 302001. : 1st April to 31st March |
| 2. Financial Calendar (Tentative) - Result for the qtr ending June 30, 2012 - Result for the qtr ending Sept 30, 2012 - Result for the qtr ending Dec 31, 2012 - Result for the qtr ending Mar 31, 2013 | : Within 45 days from the end of Quarter : Within 45 days from the end of Quarter : Within 45 days from the end of Quarter : Within 60 days from the end of Quarter |
| 3. Book Closure date | : 25 th July, 2012 to 28 th July, 2012 (both days inclusive) |
| 4. Dividend | : No dividend being recommended by the Board during the year. |
| 5. Listing of Equity Shares in Stock Exchanges | : The Bombay Stock Exchange Ltd. : The Delhi Stock Exchange Ltd. |
| 6. Demat ISIN Exchange number in NSDL | : INE020D01014 |
| 7. Demat ISIN Exchange number in CDSL | : INE020D01014 |
| 8. Stock Code | : The Stock Exchange Mumbai - 511724 : The Delhi Stock Exchange - 7809 |

The Annual Listing Fees has been paid to both exchanges.