



BAID LEASING AND FINANCE COMPANY LTD.

**22ND
ANNUAL REPORT
2012-2013**

**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 KUMAR CHORARIA | Director |
| 4. CHANDRA BHAN SINGHI | Director |
| 5. MONU JAIN | Director |
| 6. HARSHITA MAHESHWARI | Company Secretary |

BOARD COMMITTEES

Audit Committee

1. Chandra Bhan Singhi
2. Binod Kumar Choraria
3. Monu Jain

Remuneration Committee

1. Chandra Bhan Singhi
2. Binod Kumar Choraria
3. Monu Jain

AUDITORS

SHARMA NARESH & ASSOCIATES
Chartered Accountants
309, City Centre, S.C. Road,
Jaipur-302001

BANKERS

UCO BANK LTD.
KOTAK MAHINDRA BANK LTD.

CORPORATE ADVISORS

V.M. & ASSOCIATES
Company Secretaries
403, Royal World, S.C. Road,
Jaipur-302001

REGISTRAR, TRANSFER AGENT & DEMAT REGISTRAR :

MCS LIMITED

F-65, 1st Floor, Okhla Ind. Area, Phase-I
New Delhi-110020

REGISTERED OFFICE :

3, JAIPUR TOWERS,
M.I. ROAD,
JAIPUR-302 001



BAID LEASING AND FINANCE COMPANY LTD.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of Baid Leasing and Finance Co. Limited will be held on Saturday, 17th August, 2013 at 11.00 A.M., at its registered office at 3, Jaipur Tower, 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, 2013 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 Chandra Bhan Singhi 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.

BY ORDER OF THE BOARD

Date : 29.05.2013

Place : Jaipur

S/d

HARSHITA MAHESHWARI

(Company Secretary & Compliance Officer)

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. Corporate members are requested to send a duly certified true copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
3. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Chandra Bhan Singhi, Director of the company, retire by rotation at the ensuing Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company recommends this re-appointment.
4. A brief resume of Mr. Chandra Bhan Singhi and other information required under clause 49 of the listing agreement is annexed with the notice.
5. Members and Proxies attending the meeting should bring their copy of annual report and the attendance slip duly filled to attend the Meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
7. The register of members and share transfer books of the Company will be closed from Wednesday, 14th August, 2013 to Saturday, 17th August, 2013 (both days inclusive).
8. Members are requested to address all correspondence to MCS Ltd, F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020, India, who is acting as our Registrar and Share Transfer Agent. Please quote your folio number and our Company's name in all your future correspondences.
9. **"GO GREEN" initiative of the Ministry of Corporate Affairs (MCA):** The Ministry of Corporate Affairs (MCA) has vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 announced a "Green Initiative in Corporate Governance" allowing companies paperless compliance by sending documents to shareholders through electronic mode to the registered e-mail addresses of shareholders.

This is a welcome move as it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. The Company has started sending correspondence and documents such as Notices of General Meetings, Annual Reports and other shareholder communications to the shareholders in electronic form to their respective e-mail address registered with Depository Participant.

The members who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving



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documents to them electronically, hereinafter. Members holding shares in physical form may kindly provide their e-mail IDs to the Company at baidfinance@baidgroup.in

Please note that as a member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report and other documents of the Company, proposed to be sent through e-mail, upon receipt of a requisition from you, at any time.

We are sure you would appreciate the Go Green Initiative taken by MCA. We solicit your patronage and support in helping the Bank to implement the e-governance initiatives of the Government. Those shareholders who have though registered e-mails with DP, but written to the Company for receipt of communication in physical form will be sent this notice physically.

10. Members are requested to immediately intimate change of address/bank mandate if any, to the Registrar and Share Transfer Agent quoting reference of the registered folio number.
11. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updating of the saving bank account details to their respective Depository Participants (DP).
12. The Register of Directors' shareholding maintained under section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
13. The Register of Contracts maintained under section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
14. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of the meeting to enable the Company to keep the information ready at the meeting.
15. All the documents referred in the notice will be available for inspection by the shareholders at the registered office of the Company between 11.00 a.m. to 5.00 p.m. on all the working days hereof upto the date of the meeting.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN 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 / Registrars and Transfer Agents.

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	Mr. Chandra Bhan Singhi
Date of Birth	15.05.1957
Date of appointment	13.05.1994
Designation	Non Executive and Independent Director
Expertise in specific functional areas	Finance
Qualifications	Chartered Accountant
Name of Companies in which Directorship was held on 31st March, 2013	Balaji Finstock Pvt. Ltd.
Member of the Committees of the Board as on 31st March, 2013	Audit Committee (Chairman) Remuneration Committee (Chairman)

Date : 29.05.2013
Place : Jaipur

BY ORDER OF THE BOARD

S/d
HARSHITA MAHESHWARI
(Company Secretary & Compliance Officer)



BAID LEASING AND FINANCE COMPANY LTD.

DIRECTOR'S REPORT

**Dear Members,
Baid Leasing and Finance Co. Limited**

Your directors are pleased to present the 22nd Annual Report of your company together with the Annual Accounts for Financial Year 2012-13.

FINANCIAL RESULTS	31.03.2013 (Rs. in Lakhs)	31.03.2012 (Rs. In Lakhs)
Profit before Depreciation & tax	128.57	97.41
Less : Depreciation	5.26	3..13
Profit before Taxation	123.31	94.28
Less : Provision for Taxation	28.49	29.87
Profit after Tax	100.07	64.41
Add : Balance Brought Forward	346.84	295.43
Surplus available for appropriation	446.91	359.84
Less : Transfer to Special Reserve	20.00	13.00
Carried Forward to next Year	426.91	346.84

PERFORMANCE REVIEW

The company is engaged in the business of hire-purchase finance and dealing in stock market. The net receipts from Operations during the year under review were Rs. 20,60,62,876/- as against Rs. 9,62,64,325/- in the previous year. The profit/ (Loss) after tax is Rs. 1,00,07,214/- as against Rs. 64,41,099/- in the previous year. The income from operations increased by 46.72% during the year under review.

DIVIDEND

Following the conservative approach to retain the profits, your Directors did not recommend payment of any dividend for the Financial Year 2012-13.

CAPITAL STRUCTURE

During the Financial Year 2012-13 there is no change in capital structure of the Company and paid up share capital of the Company stands at Rs. 6,14,50,000/-.

AUDITORS & AUDIT REPORT

M/s. Sharma Naresh & Associates, Chartered Accountants, Statutory Auditors of the company hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

The company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

The auditors have stated that the company has transacted with the parties covered u/s 301. The directors hereby express that the transaction entered into were basically current accounts in nature and of a very small amount. The rate of interest and other terms & conditions are not prejudicial to the interest of company.

The delay in statutory dues with Income Tax Department, as stated in Auditor's report, is not serious in nature and was deposited with the concerned authority with additional interest as applicable. Other than this, the Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

POSTAL BALLOT

During the Financial Year, the company conducted a Postal Ballot to amend the main object clause of the



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Memorandum of Association of the Company u/s 17 of the Companies Act, 1956. The procedure prescribed u/s 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the above mentioned corporate action.

CS Manoj Maheshwari, Practicing Company Secretary was appointed as the Scrutinizer for the Postal Ballot process. The result was announced by Mr. Panna Lal Baid, Managing Director at the registered office of the Company on 08th December, 2012 and advertised in the newspapers.

Details of Voting done are as follows:

No. of Shareholder	No. of Shares	Total Votes	No. of Votes in Favor	No. of Votes against	Invalid Votes
23	31,73,280	31,73,280	31,73,280	NIL	NIL

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

LISTING OF SECURITIES

The Equity shares of the company are listed with the Bombay Stock Exchange limited and Delhi Stock Exchange Limited.

BOARD OF DIRECTORS

Shri Chandra Bhan Singhi, Director, retires by rotation in terms of provisions of Companies Act, 1956 and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The retiring Director does not hold any shares in the company.

A brief resume and other information required under clause 49 of the listing agreement is included in the Notice of Annual General Meeting. The Board recommends their re-appointment.

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

Since your company does not own any manufacturing facility, The provisions of Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption do not apply to it.

The particulars relating to foreign exchange earnings and outgo are NIL.

FIXED DEPOSITS

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

PARTICULARS OF EMPLOYEES

None of the employees of the company was in receipt of the remuneration exceeding the limits prescribed u/s



217 (2A) of the Companies Act, 1956 during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for the preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern basis.'

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of insider trading, the Company has formulated and implemented a comprehensive Code of Conduct for Prevention of Insider Trading by its management and employees. The code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of Company.

ACKNOWLEDGMENTS

Your Board wishes to thank the principal shareholder, the promoters and all the other shareholders for the confidence and trust they have reposed in the company. Your Board acknowledges with appreciation, the invaluable support provided by the company's auditors, advisors and business partners. Your Board wishes to sincerely thank all its customers for their patronage. Your Board records with sincere appreciation the valuable contribution made by employees at all levels and looks forward to their continued commitment to achieve further growth and take up more challenges that the Company has set for the future.

Date : 29.05.2013

Place : Jaipur

FOR AND ON BEHALF OF THE BOARD

S/d
PANNA LAL BAID
(Managing Director)

S/d
RAKESH BAID
(Whole-time Director)



MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

Economic activity in India continued to be moderate during the Financial Year 2012-13. Global economic conditions also remained weak with slowdown in growth in developed and emerging economies. While a supportive policy environment in developed economies prevented any crisis situation, uncertainty around revival in global growth remained a concern through the year.

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 Reserve Bank of India (RBI) undertook a calibrated easing of monetary policy during the year. A series of policy measures were announced by the Government during the later part of fiscal 2013 due to which the Indian equity markets improved due to favorable global liquidity conditions and domestic events. 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 affect 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 needs to be very cautious and challenging business.

The profit margins 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 organization. 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 2013 stood at 19.

Date : 29.05.2013
Place : Jaipur

FOR AND ON BEHALF OF THE BOARD

S/d
PANNA LAL BAID
(Managing Director)

S/d
RAKESH BAID
(Whole-time Director)

**CORPORATE GOVERNANCE RREPORT****COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company continues to believe strongly in adopting and adhering to the best corporate governance practices, and benchmarking itself against the industry's best practices. It is the Company's ongoing endeavor to achieve the highest levels of governance as a part of its responsibility towards the shareholders and other stakeholders. Transparency and integrity are the cornerstones for good governance, and the Company is committed to these principles for enhancing stakeholders' value.

BOARD OF DIRECTORS

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company, and reviews and monitors its strategic direction and annual business plan and business objectives. Acting as trustees on behalf of the shareholders, the Board ensures that the Company has clear goals in enhancing value and growth for all the stakeholders associated with the Company and follows best governance practices.

COMPOSITION AS ON 31.03.2013

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

Name of Directors	Category	Board Meeting attended during the year	Attendance at the last AGM	No. of Directorships held in other public companies	Committee Position in other Public Company
Sh. Panna Lal Baid DIN : 00009897	Promoter & Executive Director	6	Yes	NIL	NIL
Sh. Rakesh Kumar Baid DIN : 00009926	Promoter & Executive Director	6	Yes	NIL	NIL
Sh. Binod Kumar Choraria DIN : 00104267	Non-Executive & Independent Director	6	Yes	NIL	NIL
Sh. Chandra Bhan Singhi DIN : 0105595	Non-Executive & Independent Director	6	Yes	NIL	NIL
Sh. Monu Jain DIN : 02609467	Non-Executive & Independent Director	6	Yes	NIL	NIL

The composition of the Board is in conformity with Clause 49, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and, in case the Chairman is a non-executive Director, at least one-third of the Board should be independent and in case he is an executive director, at least half of the Board should comprise of independent directors.

None of the Directors on the Board is a member of more than 10 Committees or chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited Companies in which



he is a Director.

The non-executive Directors are appointed or re-appointed with the approval of the shareholders. All non-executive Directors are liable to retire by rotation, unless otherwise approved by the shareholders. One-third of the Directors, who are liable to retire by rotation, retire every year and are eligible for re-appointment. According to the terms of the Company's Articles of Association, the strength of the Board shall not be less than three and more than twelve.

BOARD PROCEDURE

The members of the Board are provided with the requisite information mentioned in the Listing Agreement well before the Board meetings.

The Board considers all the matters, which are statutorily required to be considered by it. In addition the following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment/expansion/modernization/diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly / half-yearly / annual results (after review by Audit Committee).
- Compliance with statutory / regulatory requirements and review of major pending legal cases.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition/disposal of fixed assets /related party transactions.
- Review of working of various committees of the Board.
- Significant labour problems, if any.
- Minutes of the meeting of other committee and other committee of board.
- Any material default in financial obligation to and by the Company, or substantial non payment for goods sold by company.

The Company has not issued any shares / debentures during the year.

BOARD MEETINGS

As per the statutory provisions the Board is required to meet at least once every quarter and minimum 4 times in a year with the time gap between two consecutive meetings not exceeding four months. Additional meetings are held as and when necessary. As against this, during the period under review the Board held 6 (Six) meetings on 19.05.2012, 14.08.2012, 20.10.2012, 29.10.2012, 01.12.2012 & 09.02.2013 to consider amongst other business, the quarterly / annual performance of the Company and its financial results. The draft of the minutes prepared by Company Secretary is circulated among the Directors for their comment / suggestion and finally after incorporating their views, final minutes are recorded in the minute's books. Post meeting, important decisions taken are communicated to the concerned officials and departments for the effective implementation of the same.

COMPOSITION OF COMMITTEES OF DIRECTORS

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Bank. These committees monitor the activities falling within their respective terms of reference. The Board's Committees are as follows:

1. AUDIT COMMITTEE

Composition

The Audit Committee currently comprises of 3 (three) independent Directors and at March 31, 2013 was chaired by Shri Chandra Bhan Singh, an independent Director.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table: