

ANNUAL REPORT 2004-2005



CINDRELLA FINANCIAL SERVICES LIMITED

9, MANGOE LANE, 3RD FLOOR, KOLKATA : 700 001

Phone : (033) 22481186

BOARD OF DIRECTORS

Sri RAJENDRA KUMAR BAID	Chairman
Smt. SANGITA DEVI BAID	Director
Sri SURAJMAL KUNDALIA	Director

REGISTERED OFFICE : : 9, Mangoe Lane
3rd Floor,
Kolkata-700 001

AUDITORS : : M/s Agarwal Mahesh Kumar & Co.
Sevoke Road,
Siliguri-734 401

BANKERS : : UTI Bank, Siliguri

CINDRELLA FINANCIAL SERVICES LIMITED
9, MANGOE LANE :: KOLKATA

NOTICE

To,
The Shareholders,

NOTICE is hereby given that the Eleventh Annual General Meeting of **M/S. CINDRELLA FINANCIAL SERVICES LTD.** will be held at the Registered office of the Company at 9, Mangoe Lane, Kolkata-700001, at 10:00 hours on Friday, September 30, 2005 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 & Loss Account for the year ended on that date and reports of the Directors and Auditors there on;
2. To appoint a Director in place of Sri Surajmal Kundalia, who retires by rotation and is eligible for re-appointment;
3. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution.

Resolved that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Agarwal Mahesh Kumar & Co., Chartered Accountants, the retiring auditors be and hereby re-appointed as auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company and the Auditors.

For & on behalf of the Board

Place : Kolkata
Dated : 10.08.2005

(Rajendra Kumar Baid)
Chairman

**CINDRELLA FINANCIAL SERVICES LIMITED
9, MANGOE LANE :: KOLKATA**

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. The proxy form should, however, be deposited at the Registered Office of the Company not less than Forty eight hours before the commencement of the meeting.
2. The Register of Members & Shares transfer Books of the Company will remain closed from 26th September, 2005 to 30th September, 2005 (Both days inclusive).
3. Members are requested to bring their copies of Annual Report to the meeting.
4. Members/body Corporate/Proxies should bring the attendance slip duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring there Client ID and DP ID number for easy identification of attendance at meeting. Members holding shares in physical form are requested to quote their folio numbers in the attendance slip.
5. Members are requested to notify any change in their address at the earliest quoting their registered folio number. Change of address in respect of shares held in demat form is required to be intimated to the Concerned Depository Participant.
6. Shareholders are requested to send all correspondence in respect of shares held by them to the Company Registrar's and Share transfer Agents, viz NICHE TECHNOLOGIES PVT. LTD., C-444, Bagree Market, 71, B.R.B. Basu Road, Kolkata 700001.
7. The equity shares of the Company have been activated for dematerialization on National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL).
8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate the R&TA enclosing their share certificates to consolidate all such holdings into one account to facilitate better service.
9. The Members seeking any information or clarification with regards to accounts or operation at the AGM are requested to write to the Company, at least seven days prior to the date of the meeting, so as to enable the management to keep the information ready.

CINDRELLA FINANCIAL SERVICES LIMITED**DIRECTORS' REPORT**

The directors have immense pleasure in presenting the 11th Annual Report together with Audited Accounts of the Company for the Year ended 31st March, 2005.

<u>Financial Results:</u>	<u>Rs. in Lakhs</u>
Total Income	3.30
Total Expenditure	2.80
Profit before Tax	0.50
Provision for Taxation - Current	0.04
- Deferred	0.00
Balance B/F from last year	(54.03)
Balance transferred to Balance Sheet	(53.16)

OPERATIONS:

The Company expects to further improve its operation in the years to come.

FUTURE PROSPECTS :

In view of the fast developments taking place in the economy and capital markets, the Company is consolidating its operations and your Directors look forward of achieving good results in the near future.

DIVIDEND:

Yours Directors regret this inability to recommend any dividend for the year 2004-2005 due to absence of adequate profit.

LISTING :

The Shares of the Company are presently listed on the Mumbai and Kolkata Stock Exchange. The listing fee for the year 2005-06 in respect of Kolkata Stock Exchange have been paid in the month of MAY, 2005 and in respect of Mumabi Stock Exchange in the month of June, 2005.

DIRECTORS :

In terms of Articles of Association of the company read with section 255 of the Companies Act, 1956, Sri Surajmal Kundalia retires by rotation and being eligible offers himself for reappointment.

DEPOSITS :

Your Company has not accepted any deposit from the public.

AUDITORS:

M/S Agarwal Mahesh Kumar & Co., Chartered Accountants, the auditor of Company retire and being eligible offer themselves for reappointment.

The notes on account referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

PERSONNEL:

None of the employees of your company were receiving remuneration exceeding Rs. 300,000/- per annum or Rs. 25,000/- per month or part thereof. Hence no particulars of the employees as per section 217(2A) of the Companies Act, 1956 need to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT:

It is further stated, that

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. your directors had 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 & loss of the company for that period;
- iii. your directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. your directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUTGO :

Your Company engages neither in any manufacturing activities nor in foreign exchange operations and hence has nothing to report in this context.

ACKNOWLEDGEMENT :

Your Directors acknowledge the co-operation extended by the various Government Authorities, Bankers & Business Associates. Your Directors also place on record their sincere appreciation of the services rendered by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD

RAJENDRA KUMAR BAID
Chairman

PLACE :: KOLKATA

Date : The 30th Day of June 2005

Registered Office :

9, Mangoe Lane, Kolkata-700001

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Member's of Cindrella Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by **CINDRELLA FINANCIAL SERVICES LIMITED** for the year ended 31st March, 2005 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

As more fully discussed in the Corporate Governance report prepared by the Company, the Company has not complied with the following conditions of the Corporate Governance as stipulated in the listing agreement.

- a. As informed by the management the Company is in the process of appointing a Company Secretary for the implementation of the conditions of the listing agreement.
- b. The Company has not constituted a Remuneration committee since no other remuneration or payment is paid to the Directors except and in excess the amount provided in the Articles of Association.
- c. The Audit Committee does not comprise of all non-executive members as required under the clause 49 of the listing agreement.
- d. The person serving the Company as a : Compliance Officer" is not a qualified Company Secretary in accordance with the conditions of the Listing Agreement.

Subject to above in our opinion and to the best of our information and according the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no investor grievances were reported during the year under review, as stated.

We further state that such compliance 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 AGARWAL MAHESH KUMAR & CO.
CHARTERED ACCOUNTANTS

Place : KOLKATA (CAMP)
Date : 30/06/2005

(M.K. AGARWAL)
Proprietor

CINDRELLA FINANCIAL SERVICES LIMITED

The Directors present the Company's Report on Corporate Governance. (as required under clause 49 of the listing Agreement entered into with Stock Exchange)

1. Company's Philosophy & Corporate Governance

The Company firmly believes in and endeavours to practice good Corporate Governance in all circumstances. The directors fully endorse and support the corporate Governance practices in accordance with the provisions of the listing agreement.

2. Board of Directors

- (a) Composition In the term of Articles Association of the Company the strength of Board of Directors of the Company should not be less than 3 and more than 12 and accordingly the present strength of the Board of Directors of the Company is 3 of which 2 are Non-executive Directors and 1 is Executive Director. The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorship and Committee Membership held by them in other Companies are given below.

Name	Category	Number of Board Meetings attended	Whether attended last AGM	No. of Directorships in other companies	No. of Committee Positions in other Public Co.
Sri Rajendra Kumar Baid	Executive chairman	4	Yes	4 (Including 1 as Chairman)	-
Smt Sangita Devi Baid	Non-Executive Independent	4	Yes	4	2
Sri Surajmal Kundalia	Non-Executive Independent	2	Yes	3	2

(b) Appointment/Re-appointment of Directors :

Sri Surajmal Kundalia retire by rotation at the ensuring Annual General Meeting and being eligible offer themselves for re-appointment the information to be provided under corporate governance code for the aforesaid Director is as under :-

Sri Surajmal Kundalia, aged 57 years, is one of the first Directors of the Company. He is also one of the Director of M/s. Cindrella Hotels Limited. He is associated with the company since its inception and birth. He is also associated with various Social, Cultural, Educational and Philanthropic Organisation.

(c) Responsibilities

The boards mandate is to oversee the Companies strategic direction, Review Companies performance and ensure regulatory compliance and safe guard interests of the shareholders.

(d) Meeting & Attendance

During the year under review the Board met five times. The detail of Board Meeting held during the financial year 2004-05 are as follows :

S.NO.	DATE	NO. OF DIRECTORS PRESENT
1.	30.06/2004	2
2.	31/07/2004	2
3.	30/10/2004	2
4.	31/01/2005	2
5.	29/03/2005	2

3. Audit Committee

The Audit Committee consists of all the Directors. Three meetings of the committee was held during the year 2004-2005 the dates on which the said meeting were held are 26-04-04, 14-10-04 and 25-03-05. The composition of the Audit Committee and their attendance at the meetings during the year are as follows:-

Sl No.	Name of Director	Designation & Category of Directorship	Number of Audit Committee Meetings attended
1.	Smt.Sangita Devi Baid	Non-Executive Independent	3
2.	Sri Surajmul Kundalia	Non-Executive Independent	3
3.	Sri Rajendra Baid	Executive	3

Since the total number of Directors in the Company is 3 (Three) including both the executive and non-executive Directors and the minimum numbers of members required for constitution is also three, therefore the Audit Committee constituted of 1 (One) executive and 2 (two) non executive Directors to meet the minimum requirement for formation of Audit Committee.

The terms of reference of this Committee covers the matters specified under Clause-49 of the listing Agreement.

4. Shareholders/Investor Grievances Committee :

The Investors grievance Committee consists of the following Directors :-

- Smt.Sangita Devi Baid
- Sri Rajendra Kumar Baid
- Sri Surajmul Kundalia

The terms of reference of this Committee covers the matters specified under Clause-49 of the listing Agreement.

No Shareholders complaints were reported pending at the end of financial year 2004-2005.

5. Disclosures :

- Materially significant related Party transactions which may have potential conflict with the interest of the company at large. : None
- Details of non compliance penalty; strictures by Stock Exchange/SEBI/Statutory authorities in any matter related to capital market during last three years. : None
- Details of Transactions with the related parties are disclosed in Annexure "A" to the Corporate Governance Report. : Yes

6. Share Dealing Code :

In accordance with the SEBI (Prohibition of Insider Trading) Regulation 1992 as amended the Board of Directors of the Company formulated the Company's code of conduct for Prevention of Insider Trading in shares & Securities of the Company by its employees, the Company's code interalia prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to Company.

7. Means of Communication :

The Company announced unaudited Quarterly Financial Results of the Company within a month of end of each quarter for the first three quarters. The Audited Annual Financial Results were also announced Such results are normally published in newspaper.