

# **ANNUAL REPORT 2002-2003**



**CINDRELLA HOTELS LIMITED**

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

## **BOARD OF DIRECTORS**

<b>Sri RAJENDRA KUMAR BAID</b>	Chairman
<b>Smt. SANGITA DEVI BAID</b>	Director
<b>Sri SURAJMAL KUNDALIA</b>	Director
<b>Sri RAJENDRA LAKHOTIA</b>	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  
Canara Bank  
Bank of Baroda  
State Bank of India

**HOTEL AT :** Sevoke Road, 3rd Mile,  
Siliguri-734 401  
Dist : Jalpaiguri, (W.B.)  
  
Swiss Hotel  
Gandhi Road, Darjeeling.

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## **NOTICE**

To,  
The Shareholders,

NOTICE is hereby given that the 17th Annual General Meeting of M/S. CINDRELLA HOTELS LTD. will be held at the Registered office of the Company at 9, Mangoe Lane, Kolkata-700001 on Monday the 29th day of September, 2003 at 11.00 am transact the following business.

### **AS ORDINARY BUSINESS :**

1. To receive and adopt the Audited Profit & Loss Account for the year ended 31st March, 2003 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Sangita Devi Baid who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution with or without modification as ordinary resolution.

RESOLVED that M/s. Agarwal Mahesh Kumar & Co., Chartered Accountants, Siliguri, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

### **AS SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution :

"RESOLVED that pursuant to the Securities Exchange Board of India (Delisting of Securities) 2003 Guidelines prescribed by the SEBI, the Company hereby approves the delisting of Equity Shares of the Company from the Stock Exchange at Kolkata without giving an exit option to the Share Holders of the concerned region of the Stock Exchange at Kolkata and that Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including execution of any documents for the purpose.

FOR AND ON BEHALF OF THE BOARD

Place : Kolkata  
Dated : 05.08.2003

**Rajendra Kumar Baid**  
Chairman

## **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the poll. The proxy appointed need not be a member. 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 25th September, 2003 to 29th September, 2003 (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.
5. Members are requested to notify any change in their address immediately to the Company's Registered Office at 9, Mangoe Lane, Kolkata - 700001.
6. Shareholders are requested to send all correspondence in respect of shares held by them to the Company Registrar's & 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 company to consolidate all such holdings into one account.

## **ANNEXURE TO NOTICE**

### **Explanatory Statement under section 173 of the Companies Act, 1956**

#### **ITEM - 4:**

The Shares of the Company are at present listed with the Stock exchange at Mumbai and Kolkata. The shares of the Company on Kolkata Stock Exchange are hardly traded and therefore no useful purpose will be served in continuing the listing with the said Stock Exchange.

THE Board of Directors of the Company therefore purposes that the Shares of the Company should be delisted from Calcutta Stock Exchange in accordance with SEBI (Delisting of Securities) Guidelines 2003 prescribed by the Securities Exchange Board of India.

The listing Shares will however continue with Mumbai Stock Exchange, which has nation wide trading terminals and therefore the Company does not propose to give an exit option to the Share Holder of the region of the Stock Exchange at Kolkata as provided for in the SEBI (Delisting of Securities) Guidelines 2003.

The Board of Directors commend the approval by the members of the special resolution at item no. 4 of the accompanying notice. None of the Directors are interested in the said resolution.

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**CINDRELLA HOTELS LIMITED**  
**DIRECTORS' REPORT**

The directors have immense pleasure in presenting the 17th Annual Report together with Audited Accounts of the Company for the Year ended 31st March, 2003.

**Financial Results:**

**Rs. in Lakhs**

Total Income	112.66
Total Expenditure	103.24
Profit before Tax	9.42
Provision for Taxation	4.20
Profit after Tax	5.22
Balance transferred to Balance Sheet	5.22

**OPERATIONS:**

In spite of a downward trend in economic activity in Hotel industry your company was able to marginally expand and increase the volume of the business during Financial Year 2002-2003.

**FUTURE PROSPECTS :**

The outlook of the Company for the year 2003-04 is good and your directors looks forward to achieving good financial results in the Financial Year. 2003-04.

**PROJECTS:**

The expansion programme of the Company is progressing Satisfactorily, Swiss Hotel has started its operation at Darjeeling in the month of October, 2002.

**DIVIDEND**

Your directors do not recommend any dividend for the year 2002-2003 keeping in view the quantum of profits earning by the Company.

**CORPORATE GOVERNANCE:**

As a listed company, necessary measures are being taken to comply with the listing agreement with the Stock Exchange. A report on Corporate Governance alongwith the Certificate of Compliance from the Auditors, forms part of this Annual Report.

**DIRECTORS :**

In terms of Articles of Association of the company read with 255 of the Companies Act, 1956, Smt. Sangita Devi Baid retires by rotation and being eligible offers herself for re-appointment.

**LISTING :**

The Shares of the Company are presently listed on the Mumbai and Calcutta Stock Exchange. The listing fee in respect of Calcutta Stock Exchange have been paid for the year 2003-04 in the month of April, 2003.

**PARTIAL DELISTING:**

Your Directors are of the View that considering the insignificant trading of the Companies Shares in the Calcutta Stock Exchanges, it would be appropriate to delist the Shares of the Company from the aforesaid Stock Exchange in accordance with the Securities Exchange Board of India (Delisting of Securities) Guidelines 2003. Prescribed by SEBI without providing an exit option to the Shareholders of the concerned region. The listing of Shares will however continue with Mumbai Stock Exchange which has nation wide trading terminals. An enabling resolution has been incorporated in the Notice of the Annual General Meeting.

**DEPOSITS :**

Your Company has not accepted any deposit from the public.

**AUDITORS:**

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

The notes on account referred to the Auditors' Report are self explanatory and therefore do not call for any further comments u/s. 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 judgements 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.

**THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS RULES, 1988).**

In accordance with the requirements of the above rules, the particulars in respect of conservation of energy, research and development, technology, absorption are not applicable to the company.

**ACKNOWLEDGEMENT :**

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

Place : Kolkata  
Dated : 30.6..2003

FOR AND ON BEHALF OF THE BOARD

**Rajendra Kumar Bald**  
Chairman

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the Member's of Cindrella Hotel Ltd.

We have examined the compliance of conditions of Corporate Governance by CINDRELLA HOTEL LIMITED for the year ended 31st March, 2003 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 auditor's 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 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 to 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 pending for a period of more than one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

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.

Place : Kolkata  
Dated : 30th June, 2003

FOR AGARWAL MAHESH KUMAR & CO.  
CHARTERED ACCOUNTANTS

(M.K. AGARWAL)  
PROPRIETOR

## **CINDRELLA HOTELS 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** Corporate Governance is the combination of voluntary practices and management of the organisation. Effective Corporate Governance leads to long term Shareholder Value and enhances interests of other stake holders. It assures its owners that there is well performing management in place and that the Company's assets are being put to proper use. 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 9 and accordingly the present strength of the Board of Directors of the Company is 4 of which 3 are Non-executive Directors & 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

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	5	Yes	1 as chairman	-
Smt. Sangita Devi Baid	Non-Executive Independent	5	Yes	1	2
Sri Surajmal Kundalia	Non-Executive Independent	4	Yes	1	2
Sri Rajendra Lakhoria	Non-Executive Independent	3	No	1	-

#### **(b) Appointment/Re-appointment of Directors :**

Smt. Sangita Devi Baid 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 :-

Smt. Sangita Devi Baid, aged 52 years is one of the first Director of the company. She is also one of the director of M/s. Cindrella Financial Services Limited. She is associated with the Company since its inception and birth. She is also having more than 8 years experience in the field of Hotel Industry.

#### **(c) Responsibilities**

The boards mandate is to oversee the Company's strategic direction, Review Company's 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 2002-03 are as follows :



S.NO.	DATE	NO. OF DIRECTORS PRESENT
1.	30/06/2002	3
2.	31/07/2002	3
3.	31/10/2002	4
4.	31/01/2003	4
5.	26/03/2003	3

e) Remuneration and other Payments to the Directors :

Name of Director	Sitting Fee	Salary/ Perquisites	Total
Sri Rajendra Kumar Baid	500/-	—	500/-
Smt.Sangita Devi Baid	500/-	—	500/-
Sri Surajmal Kundalia	400/-	—	400/-
Sri Rajendra Lakhota	300/-	—	300/-
	1,700/-		1,700/-
	=====		=====

### 3. Audit Committee

The Audit Committee was constituted by the company during the year consisting of all Non-executive Directors. Three meetings of the committee was held during the year 2002-2003. The dates on which the said meeting were held are 31-07-02, 13-01-03 and 26-03-03.

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.	Sri Rajendra Lakhota	Non-Executive Independent	2
2.	Smt.Sangita Devi Baid	Non-Executive Independent	3
3.	Sri Surajmul Kundalia	Non-Executive Independent	2

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

### 4. Shareholders / Investor Grievances Committee :

Shareholders / Investor Grievance Committee has been constituted with the following role, function & powers:-

- To look into and supervise the redress of Shareholders / Investors Complaints like transfer of Shares. Non-receipt of Balance Sheet, etc.
- To consider & approve transfer of shares, transmission of shares dematerialisation of shares, transposition of shares, issuance of duplicate share certificate, deletion of names, splitting and consolidation of shares etc.
- To delegate any of its responsibilities mentioned at (b) above to any officer of the Company or the Registrar & Share Transfer Agents and to supervise the proper exercise of delegated powers.