

ANNUAL REPORT 2004-2005

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CINDRELLA HOTELS LIMITED

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

Phone : (033) 22481186

E-Mail : cindrella@sancharnet.in

BOARD OF DIRECTORS

| | |
|--------------------------------|-----------------|
| Sri RAJENDRA KUMAR BAID | Chairman |
| Smt. SANGITA DEVI BAID | Director |
| Sri SURAJMAL KUNDALIA | Director |
| Sri RAJENDRA LAKHOTIA | 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
HDFC Bank
ICICI Bank

HOTEL AT : : I. Sevoke Road, 3rd Mile,
Siliguri-734 401
Dist : Jalpaiguri, (W.B.)

II. Swiss Hotel
Gandhi Road, Darjeeling.

NOTICE

To,
The Shareholders,

NOTICE is hereby given that the 19th 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 Wednesday the 28th day of September, 2005 at 11.30 am transact the following business.

AS ORDINARY BUSINESS :

1. To receive and adopt the Audited Profit & Loss Account for the year ended 31st March, 2005 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. Sarigita 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.

FOR AND ON BEHALF OF THE BOARD

Rajendra Kumar Baid
Chairman

Place : Kolkata
Dated : 08.08.2005

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, 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, 2005 to 28th September, (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 number 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 & 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 HOTELS LIMITED

DIRECTORS' REPORT

The directors have immense pleasure in presenting the 19th 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 | 150.95 |
| Total Expenditure | 137.67 |
| Profit before Tax | 13.28 |
| Provision for Taxation - Current Year | 1.04 |
| - Deferred | 5.14 |
| Profit after Tax | 7.09 |
| Balance transferred to Balance Sheet | 56.72 |

OPERATIONS :

Your company was able to expand and increase the volume of the business during Financial Year 2004-2005 and expect further growth in near future.

FUTURE PROSPECTS :

The outlook of the Company for the year 2004-05 is good and your directors look forward to achieving good financial results in the Financial Year. 2005-06.

PROJECTS :

Tourism is the second largest industry in the World and your company have taken possession of 24 acres of Land at Chalsa, and development work for a Resort has already started.

Floriculture Industry will bring rich dividends to the company. The company have already started setting up a green house for the cultivation of Garbera & Anthurium throughout the year.

DIVIDEND :

Your directors do not recommend any dividend for the year 2004-2005 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 along with 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 section 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 for the year 2005-06 in respect of Calcutta Stock Exchange have been paid in the month of April, 2005 and in respect of Mumbai Stock Exchange in the month of May 2005.

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 in the Auditor's 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 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.

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 Guests. 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
Dated : 30 June, 2005

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, 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 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 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 Values. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

2. Board of Directors

(a) Composition

In term of Articles of 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 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 | 5 | Yes | 4 (including 1 as chairman) | - |
| Smt Sangita Devi Baid | Non-Executive Independent | 5 | Yes | 4 | 2 |
| Sri Surajmal Kundalia | Non-Executive Independent | 4 | No | 3 | 2 |
| Sri Rajendra Lakhota | Non-Executive Independent | 4 | No | 6 | 2 |

(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 55 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 5 years experience in the field of Hotel and management Industry. She is also associated with various Social, Cultural, Educational and Philanthropic Organisation.

(c) Responsibilities

The board's 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 2004-05 are as follows :

S.NO.

DATE

NO. OF
DIRECTORS PRESENT

| | | |
|----|------------|---|
| 1. | 30/06/2004 | 3 |
| 2. | 31/07/2004 | 4 |
| 3. | 30/10/2004 | 4 |
| 4. | 31/01/2005 | 4 |
| 5. | 27/03/2005 | 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 | 400/- | — | 400/- |
| | 1,800/- | | 1,800/- |
| | ===== | | ===== |

3. Audit Committee

The Audit Committee constituted by the company consisting of all Non-executive Directors. Three meetings of the committee were 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. | Sri Rajendra Lakhota | Non-Executive Independent | 3 |
| 2. | Smt. Sangita Devi Baid | Non-Executive Independent | 2 |
| 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.