

ANNUAL REPORT 2008-2009

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CINDRELLA HOTELS LIMITED

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

Phone : (033) 22481186

E-Mail : cindrela@bsnl.in

BOARD OF DIRECTORS

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

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REGISTERED OFFICE :	:	9, Mangoe Lane 3rd Floor, Kolkata-700 001
AUDITORS :	:	M/s Agarwal Mahesh Kumar & Co. Sevoke Road, Siliguri-734 401 M.No. 54394
BANKERS :	:	UTI Bank State Bank of India
HOTEL AT :	:	Sevoke Road, 3rd Mile, Siliguri-734 401 Dist : Jalpaiguri, (W.B.)

NOTICE

To,
The Shareholders,

NOTICE is hereby given that the 23rd 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 23rd day of September, 2009 at 10.30 am transact the following business.

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Profit & Loss Account for the year ended 31st March, 2009 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 himself 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 & on behalf of the Board

Place : KOLKATA
Dated : 04.08.2009

(R. K. Baid)
Chairman

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 19th September, 2009 to 22nd September, 2009 (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 dematerialized form are requested to bring their 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, D-511, 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 23rd Annual Report together with Audited Accounts of the Company for the Year ended 31st March, 2009.

<u>Financial Results:</u>	<u>Rs. in Lakhs</u>
Total Income	304.10
Total Expenditure	287.23
Profit before Tax	16.87
Provision for Taxation - Current Year	7.18
Deferred	0.95
Provision for FBT	0.53
Profit after Tax	10.11
Balance transferred to Balance Sheet	111.66

OPERATIONS:

Your company was able to expand and increase the volume of the business during Financial Year 2008-2009 and expect further growth in near future.

FUTURE PROSPECTS:

The outlook of the Company for the year 2009-10 is good and your directors looks forward to achieving good financial results in the Financial Year. 2009-10.

PROJECTS:

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

DIVIDEND:

Yours directors do not recommend any dividend for the year 2008-2009 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 2009-10 in respect of Calcutta Stock Exchange have been paid in the month of May, 2009 and in respect of Mumbai Stock Exchange in the month of April, 2009.

DEPOSITS:

Your Company has not accepted any deposit from the public.

AUDITORS:

M/S Agarwal Mahesh Kumar & Co., Chartered Accountants, the auditors of company retires and being eligible offers them 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. 24,00,000/- per annum or Rs. 2,00,000/- 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.

By order and on behalf of the Board.

Dated : The 29th Day of June, 2009.

Registered Office :
9, Mangoe Lane, Kolkata-700001

(R. K. Baid)
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Cindrella Hotels Ltd.

We have examined the compliance of conditions of Corporate Governance by **CINDRELLA HOTELS LIMITED** for the year ended 31st March, 2009 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. 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.
- b. As informed by the management the company is in the process of appointing a company secretary for the implementation of the condition of the listing agreement.
- 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 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 : 25/06/2009

**(M.K. AGARWAL)
Proprietor
M.No.54394**

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 based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the quality and mindset of the organization. Companies stand to gain by adopting systems that bolster the stakeholders trust through transparency, accountability and fairness. With increasing interdependence and free trade among countries and citizens across the globe, good corporate Governance should be followed by any company to distinguish itself.

Keeping the above in mind, your company has also committed itself to the philosophy of good Corporate Governance in all its dealings, utmost integrity in its conduct and in compliance with the highest standard of corporate values and ethics. Your Company considers Corporate Governance as a continuous journey to provide congenial environment to harmonise the goals of maximizing the stakeholders' value and maintaining a customer-centric focus in all its dealings with the outside world, besides keeping important segments of the society adequately informed.

It has been our endeavor to give fair and equitable treatment to all stakeholders including employees, customers and shareholders. The Code of Conduct for directors and senior Managers adopted by the Board of Directors in terms of the Clause 49 of the Listing Agreement shall further enhance the standards of Corporate Governance in the Company.

2. Board of Directors

(a) Composition and size of the Board

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprises of 5 Directors, of whom 3 are Independent Directors, 3 Non-Executive Independent Directors and 1 Executive Director who is the Chairman of the Company.

The Directors possess experience and specialization in diverse fields, such as hoteliering, project management, legal, banking, finance, administration, etc.

The composition of the Board and category of Directors are as follows:

Category	Name of Directors	Designation	No. of Shares held as on 31 st March, 2009
Promoter Directors & Executive Directors	Rajendra Kumar Baid	Chairman & Executive Director	532915
Non-Executive Independent Directors	Surajmal Kundalia	Director	10
	Rajendra Lakhotia	Director	10
	Kumaresh Lahiri	Director	100
Non-Independent Directors	Sangita Devi Baid	Director	126010

b) Meetings of the Board of Directors. The Board of Directors had met 4 times during the year, i.e. on

Date	No. of Directors present
30/06/2008	3
30/07/2008	3
31/10/2008	4
27/01/2009	3

And as required, the gap between two Board meetings did not exceed four calendar months. The Board meetings are held at the registered office of the Company. The Agenda for the Board meetings containing relevant information/supporting data, as required, are distributed well in advance to all the Board members from time to time in a structured manner to enable the Board to take informed decisions.

(c) Board Meetings and Attendance

Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM) and the number of Companies and Committees where they are Directors/Members are given below:

Name	Category	Attendance Board Meeting	Particulars AGM (held on 30.09.08)	No. of other Directorships. held as at	Directorship/ Membership In other Limited 31.03.09 Companies (Excluding the Company) Chairman Member
Sri Rajendra Kumar Baid	Executive Chairman	4	Yes	5	1
Smt. Sangita Devi Baid	Non-Executive	3	Yes	5	1
Sri Surajmal Kundalia	Non-Executive Independent	3	No	3	1
Sri Rajendra Lakhotia	Non-Executive Independent	4	No	6	2
Sri Kumaresh Lahiri	Non-Executive	4	Yes	2	1

None of the Directors of the Board serves as member of more than ten committees, nor are Chairman of more than five Committees across all Companies, in which he/she is a Director. "Committees" considered for this purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Shareholders/ Investors Grievance Committee.

Smt. Sangita Devi Baid retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year, no sitting fees have been paid to the Non-Executive Directors.

3. Audit Committee

(a) Details of the Composition of the Audit Committee and attendance of the members are as follows :

The Audit Committee of the Company comprises four Directors, of whom 3 are Non-Executive Independent Directors. Members have varied expertise in banking, finance, project management, accounting and legal matters. The Committee oversees the work carried out by the management, internal auditors on the financial reporting process, the safeguards employed by them and such relevant matters as it finds necessary to entrust.

During the year under review, the Audit Committee met 3 times, i.e. on 20th May 2008, 15th October 2008 and 23rd March 2009.

The particulars of members and their attendance at the meetings are given below: