

ANNUAL REPORT 2011-2012

CINDRELLA FINANCIAL SERVICES LIMITED

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

Phone : (033) 22481186

E-mail : cindrela@bsnl.in

BOARD OF DIRECTORS

Smt. Sangita Devi Baid	Chairman
Sri Surajmal Kundalia	Director
Sri Kumaresh Lahiri	Director
Sri Vivek Baid	Director

Registered Office :

9 Mangoe Lane
3rd Floor, Kolkata - 700 001

Auditors :

M/s Agarwal Mahesh Kumar & Co.
Sevoke Road, Siliguri - 734401
M. No. 54394

Bankers :

AXIS Bank

CINDRELLA FINANCIAL SERVICES LIMITED

9, Mangoe Lane, 3rd Floor, Kolkata • 700 001

NOTICE

To,
The Shareholders,

NOTICE is hereby given that the 18th Annual General Meeting of **CINDRELLA FINANCIAL SERVICES LTD.** will be held at the office of the Company on Thursday, the 27th day of September, 2012 at 10:30 am to transact the following business.

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 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 Sri Surajmal Kundalia who retires by rotation and being eligible offers himself for re-appointment.
3. To approve the appointment of Sri Vivek Baid who was appointed by the Board of Directors as a director of the Company to fill the casual vacancy caused by the sad demise of Sri Rajendra Kumar Baid.
4. 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: 06/07/2012

Smt Sangita Devi Baid
Chairman

CINDRELLA FINANCIAL SERVICE LIMITED

9, Mangoe Lane, 3rd Floor, Kolkata - 700 001

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 20th September 2012 to 26th September , 2012 (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.
5. Members holding shares in physical form are requested to quote their folio number in the attendance slip.
6. 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.
7. 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.
8. The equity shares of the Company have been activated for dematerialiaization on National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL).
9. 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.
10. 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 hereby present the 18th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2012.

Financial Results	Rs. in Lakhs
Total Income	(0.87)
Total Expenditure	2.57
Profit before Tax	(3.44)
Provision for Taxation - Current	0.00
Deferred	0.01
Profit after Tax	(3.44)
Profit B/f from previous year	(74.91)
Other Appropriations	0.02
Balance transferred to Balance Sheet	(78.33)

OPERATIONS:

The company had to incur losses of Rs 3.44 lakhs mainly due to the losses incurred on trading of shares. However, the directors expect growth in near future.

FUTURE PROSPECTS:

The company is focusing mainly on its core Non Banking financial activities and the directors look forward to achieve better financial results in the Financial Year 2012-13.

DIVIDEND:

Your directors do not recommend any dividend for the Financial Year 2011-12 keeping in view the financial position of 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, Sri Surajmal Kundalia 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 2012-13 in respect of Mumbai Stock Exchange has been paid in the month of April, 2012. The Listing fee in respect of Calcutta Stock Exchange will be paid shortly.

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.

COMPLIANCE:

Secretarial Compliance Certificate obtained from Mr. Somnath Ganguiy, practicing Company Secretary forms part of and is annexed to this Report.

PERSONNEL:

No employee of your company was in receipt of remuneration exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month or part thereof. Hence particulars of employees as per section 217(2A) of the Companies Act, 1956 are not required 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.

Dated: The 14th Day of May, 2012.

For and on behalf of the Board

Office:
9, Mangoe Lane, Kolkata-700001

(R. K. BAID)
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Cinderella Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by **CINDRELLA FINANCIAL SERVICES LIMITED** for the year ended 31st March, 2012 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 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 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)
Dated: 14/05/2012

(C.A.M.K. AGARWAL)
Proprietor
M.No.54394

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 Exchanges)

1. Company's Philosophy & Corporate Governance.

The Company has endeavored to benchmark itself against global standards in all areas, including corporate governance. Good corporate governance implies optimum utilization of the resources and ethical behaviors of the enterprise to enhance the shareholder's value with strong emphasis on transparency, accountability, and integrity which are the primary objective of pur enterprise.

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 4 Directors, of whom, 2 Non-Executive Independent Directors, 1 Non Executive and 1 Executive Director who is the Chairman of the Company.

The Directors possess experience and specialization in diverse fields, such as 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 31st March, 2011
Promoter Directors &	Rajendra Kumar Baid	Chairman &	
Executive Directors	Executive Director		4145
Non-Executive	Sangita Devi Baid	Director	36100
Non-Executive &	Surajmal Kundalia	Director	10
Independent	Kumaresh Lahiri	Director	100

(b) Meetings of the Board of Directors

The Board of-Directors had met 5 times during the year, i.e. on

Date No.	of Directors present
14/05/2011	3
30/07/2011	3
31/10/2011	3
31/01/2012	3
07/03/2012	3

And as required, the gap between two Board meetings did not exceed three 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	AGM (held on 21.09.2011) at 31.03.12	No. of other Directorships held as	Directorship Membership In other Limited Companies (Excluding the Company) Chairman Member
Sri Rajendra Kumar Baid	ExecutiveChairman	5	Yes	5	↑
Smt.Sangita Devi Baid	Non-Executive	4	Yes	5	↑
Sri Surajmal Kundalia	Non-Executive & Independent	3	Yes	2	↑
Sri Kumaresh Lahiri	Non-Executive	3	Yes	2	↑

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.

Sri Surajmal Kundalia retires by rotation at the ensuing Annual General Meeting and being eligible offers himself 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 of three Directors, of whom 2 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 4 times, i.e. on 16th May 2011, 14th September 2011, 30th December 2011 and 26th March 2012.

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

Name of the Member	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Smt. Sangita Devi Baid	Member	Non Executive Director	4	3
Sri Surajmal Kundalia	Member	Non Executive Independent Director	4	3
Sri Kumaresh Lahiri	Member	Non Executive Independent Director	4	3

The terms of reference of this Committee covers the matters specified under clause 49 of the Listing Agreement.

4. Remuneration Committee

The Company has not formed Remuneration Committee as no remuneration is being paid to any of the Directors.

5. Shareholders/ Investors' Grievance Committee

(a) Composition, Meeting and Attendance

The Committee comprises of two Non-Executive Independent Directors and one Non-Executive Director. The Committee met 4 times i.e. on 26.7.2011, 22.10.2011, 7.01.2012 and on 31.03.2012 during the year. The particulars of members and their attendance at the meeting are given below:

Name of the Member	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Smt. Sangita Devi Baid	Member	Non Executive Director	4	3
Sri Surajmal Kundalia	Member	Non Executive Independent Director	4	3
Sri Kumaresh Lahiri	Member	Non Executive Independent Director	4	3

Mr. Abhijit Dutta, the Compliance Officer of the Company has been regularly interacting with Registrar and Share Transfer Agents (RTA) to ensure that the complaints/grievances of the Shareholders/Investors are attended to without any delay and where deemed expedient, the complaints/grievances are referred to the Chairman of the Committee or discussed at its meetings.

During the year, the Registrar had registered the following:

1. Total no. of requests received for transfer	-	13
2. Total no. of shares transferred	-	17,800
3. Total no. of request received for transmission	-	NIL
4. Total no. of shares received for transmission	-	NIL
5. Total no. of requests received for Demat	-	10
6. Total no. of shares demated	-	17,900
7. Total no. of requests received for remat	-	NIL
8. Total no. of shares received for remat	-	NIL
9. Total no. of shares rematted	-	NIL

The terms of reference of this Committee covers the matters specified under clause 49 of the Listing Agreement.

No Shareholders' complaints were reported and no complaints are pending at the end of the financial year 2011-12.

b) Compliance Officer

Name of the Compliance Officer

Telephone

Mr. Abhijit Dutta

033-2248-1186

6. General Body Meetings

The details of Location, date and time of the Annual General Meeting (AGM) /Extra-ordinary General Meeting (EGM) for the last three years are as follows:

Financial Year	Meeting	Date	Time	Location
2008-09	AGM	22.09.09	10.00 a.m	9, Mangoe Lane, Kolkata
2009-10	AGM	29.09.10	10.00 a.m	9, Mangoe Lane, Kolkata
2010-11	AGM	21.09.11	10.30 a.m	9, Mangoe Lane, Kolkata

All the resolutions as set out in the respective notices were passed unanimously by a show of hands by the members of the company present at the said Annual General Meetings.

5. Disclosures

(a) Statutory Compliance, Penalties and Strictures

There were no instances of non-compliance or levy of any penalties, strictures imposed by Stock Exchange or SEBI or any other statutory authority during the last three financial years on any matter related to the Capital markets.

(b) Materially Significant related party transactions

The transactions between the Company and the Directors and Companies in which the Directors are interested has disclosed in "Annexure A" to the Corporate Governance Report in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

(c) Risk Management

The Management Team of the Company regularly reviews and interacts with the members of the Audit Committee and the Board of Directors on the risk management strategy to ensure the effective implementation and monitoring of the risk management policy and procedures. The Company is in the process of setting up a system to appraise the Board of Directors on the key risk assessment areas and suggestive risk mitigation mechanism.

6.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 announced within 45 days of the end of the Financial Year. Such results are normally published in newspaper.

7.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 inter alia prohibits purchase/sale of Shares of the Company by employees while in possession of unpublished price sensitive information in relation to Company.

8.General Shareholder Information

(a) 18th Annual General Meeting

Day/Date	Time	Venue
Tuesday/28.08.2012	10:30 a.m.	9, Mango Lane, Kolkata

(b) Listing on Stock Exchanges

Equity Shares
i) Bombay Stock Exchange Limited Phiroze jeejeebhoy Towers Dalai Street, Fort, Mumbai-400 001
ii) Calcutta Stock Exchange Assn. Limited 7, Lyons Range, Kolkata - 700 001

(c) Financial Reporting for the quarter ending

30th June, 2012	On or before 31st July, 2012
30th September, 2012	On or before 31st October, 2012
31st December, 2012	On or before 31st January, 2013
31st March, 2013	On or before 31st May, 2013
AGM for the year ending 31st March, 2012	On or before 30th September, 2013

The Company has already paid the Annual Listing fees for the year 2012-13 to the Stock Exchanges as well as Custodial fees to the Depositories.

(d) Registered Office

The Registered office of the company is situated at 9, Mangoe Lane, Kolkata.

(e) Script Information

Bombay Stock Exchange Limited	Script Code/ Information
Face Value	531283
	Rs.10/- each

(f) Stock Market Data

The Monthly High/Low prices of the Shares of the Company from 1st April, 2011 to 31st March, 2012 are given below:

<u>Months</u>	<u>High</u>	<u>Low</u>
Mar 12	4.22	4.02
Feb 12	4.89	4.22
Jan 12	4.89	4.44
Dec 11	6.90	4.23
Nov 11	11.15	6.39
Oct 11	9.27	8.00
Sep 11	10.39	8.00
Aug 11	10.45	9.60
Jun 11	3.48	3.48
May 11	3.67	3.32
Apr 11	4.01	3.54

There was no transaction during the month of July, 2011.

(g) Distribution of Shareholding as on 31st March, 2012

<u>Slab of Shareholding (No. of Shares)</u>	<u>No. of Shareholders</u>	<u>% of Total</u>	<u>Holding No. of Shares or Rs.10/- each</u>	<u>% of Total</u>
Up to 500	953	44.5119	2,80,204	6.7357
501 to 1000	1037	48.4353	7,92,184	19.0429
1001 to 5000	118	5.5114	2,73,097	6.5648
5001 to 10000	15	0.7006	1,07,952	2.5950
10001 to 50000	12	0.5605	2,62,928	6.3204
50001 to 100000	2	0.0934	1,38,280	3.3240
100001 & above	4	0.1868	23,05,355	55.4172
TOTAL	2169	100.0000	41,60,000	100.0000

(h) Shareholding Pattern as on 31st March, 2012

<u>Sl. No.</u>	<u>Category</u>	<u>No. of Shares held</u>	<u>% of holding</u>
1.	Promoters	11,88,300	28.565
2.	Public Financial Institutions	0	0.00
3.	Banks	0	0.00
4.	Mutual Funds	0	0.00
5.	Body Corporates	13,34,456	32.078
6.	FIs	0	0.00
7.	NRIs/OCBs	400	0.010
8.	Directors(Other than Promoters)	0	0.00
9.	Resident Individuals	16,35,836	39.323
10.	Others	1,008	0.024
Total		41,60,000	100.00

(i) Dematerialization of Shares and liquidity

As on 31st March, 2012, the total number of Equity Shares of the Company in dematerialization form stood at 16,80,799 shares (representing 40.40% of the company's paid-up Equity Share Capital).

The trading in Equity Shares of the Company is permitted only in dematerialized form. Considering the advantages of trading in demat form, members are encouraged to consider dematerialization of their shares so as to avoid inconvenience in future.

Shareholders seeking demat/ remat of their shares need to approach their Depository Participants (DP) with whom they maintain demat accounts. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share Transfer Agents ("the Registrar") of the Company. Upon receipt of request and share certificates, the Registrar will request National Securities Depository Ltd.(NSDL)/ Central Depository Services (India) Ltd.(CDSL) to confirm the demat request. The demat account of the respective shareholder will get credited with equivalent number of shares. In case of rejection of the request, the decision will be communicated to the shareholder.

In respect of rematerialisation, upon receipt of the request from the shareholder, the DP generates a request and its verification is done by the Registrar. The Registrar then requests NSDL and CDSL to confirm the same.

(j) Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited has been appointed as one point agency for dealing with shareholders. Shareholders correspondence should be addressed to the company's Registrar & Share Transfer Agent at the address mentioned below:

M/s Niche Technologies Pvt. Limited

Registrar & Share Transfer Agent

D-511,71B,R.B.Basu Road,Bagree Market, Kolkata-700 001

Phone No : 033-2235-7271/7270/3070

EDP Centre : 2666-4775/0693

Fax : 033-2215-6823

ANNEXURE - "A"

ANNEXURE TO & FORMING PART OF PARA 5(c) OF CORPORATE GOVERNANCE REPORT

1. **Other Related Companies:**

- a. Cindrella Hotels Limited.
- b. Arrow Hotels & Resorts Ltd.
- c. Cindrella Tea Ltd
- e. Sagarmull Dhanraj Ltd

1. **Key Management Personnel:**

Sri Rajendra Kumar Baid.

3. **Relatives of Key Management Personnel:**

Sri Vivek Baid	Son of Sri. Rajendra Kumar Baid
Smt Sangita Baid	Wife of Sri Rajendra Kumar Baid
Smt Venus Baid	Daughter-in-law of Sri. Rajendra Kumar Baid
Smt Sapna Kochar	Sister of Sri. Rajendra Kumar Baid

4. **Enterprises in which key management personnel has significant interest:**

M/s Raġ Publishers	Prop. Sri Rajendra Kr. Baid
(Janpath Samachar)	

5. **SUMMARY OF AGGREGATE OF RELATED PARTY TRANSACTIONS:**

<u>Particula</u>	<u>Other related Companies</u>	<u>Relatives of Key Management Personnel</u>	<u>Enterprises in which key management personnel has significant interest</u>
Sale of Services	0.00	0.00	0.00
Sale of Shares	0.00	0.00	0.00
Purchase of Shares	0.00	0.00	0.00
Interest Earned	0.00	26,822.00	63,533.00
Rent Received	0.00	0.00	90,000.00
Equipment Hire Charges	0.00	0.00	88,500.00
Payment for Expense	0.00	0.00	0.00
Loan given & received back		0.00	
		Given Rs 20,00,000.00 and received back Rs10,00,000.00	Given Rs 10,00,000.00 and received back Rs 10,00,000.00
Balance outstanding at the end of the year			
(Cr.)	0.00	0.00	0.00
(Dr.)	21,00,000.00	10,13,927.00	0.00

CINDRELLA FINANCIAL SERVICES LIMITED:: KOLKATA

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT:

Your company is engaged in the business of consultancy service and shares. The Company is focusing mainly on its core non- banking financial activities.

INDUSTRY OUTLOOK:

The financial services sector has borne the brunt of changes in economic policies and this has led to a change in business plans. Your company is looking for new opportunities in this sector so that it can improve its performance. The Company is focusing mainly on its core non- banking financial activities.

RISKS AND CONCERNS:

The change in economic policies of the government and new trend of consolidation in the financial services sector may adversely affect the performance of your company. The Company is exposed to risks from stock market fluctuations.

INTERNAL CONTROL SYSTEMS AND ADEQUACY .

The Company has good internal controls systems and its adequacy has been reported by its auditors in their report. Adequate system of internal control is in place which assures us of:

- Proper recording and safeguarding of assets.
- Maintaining proper accounting records and reliability of financial information.

DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS :

The industrial relations climate of the company continues to remain harmonious and cordial with focus on improving productivity, quality and safety.

SEGMENT-WISE PERFORMANCE:

This is not applicable in the area of operations of your company.

CAUTIONARY STATEMENT:

Statement in this "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include change in Government regulations, tax regimes, economic developments in India and other incidental factors.

For & behalf of Board

Place: KOLKATA
Dated: 14/05/2012.

(R.K. Baid)
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF CINDRELLA FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of CINDRELLA FINANCIAL SERVICES LIMITED :: KOLKATA as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (amended 2005) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us we enclose in the Annexure, a Statement on the matters specified in paragraph 4 and 5 of the said order. We further report that in Annexure "A".

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of account.
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012; and
 - ii) In case of Profit & Loss Account of the Profit of the Company for the year ended on that date.

FOR AGARWAL MAHESH KUMAR & CO.
CHARTERED ACCOUNTANTS

PLACE :: KOLKATA (CAMP)
DATED :: 14.05.2012

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

ANNEXURE - "A"

(To the Auditors' Report)

As required by the Companies (Auditor's report) Order, 2003 (as amended in 2005) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checking of the books and records of the company as we consider appropriate and the information's and explanations given to us in course of audit, we report that:

<u>S. No</u>	<u>Particulars</u>	<u>Comments</u>
	(i) (a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
	(c) if a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern;	No
	(ii) (a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Yes
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Yes
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Yes. No material discrepancies were noticed on physical verification.
	(iii) (a) has the company either granted or taken any loans, secured or unsecured / from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions.	Yes. The Company has during the year granted loans to Venus Daid. Saona Kocher & M/s Raj Publishers for Rs 10 lakhs each.
	(b) whether the rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company;	No
	(c) whether payment of the principal amount and interest are also regular;	Yes
	(d) if overdue amount is more than one lakh, whether reasonable steps have been taken by the company for recovery/payment of the principal and interest;	Yes
	(iv) is there an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Whether there is a continuing failure to correct major weaknesses in internal control;	Yes
	(v) (a) whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;	Yes
	(b) whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;	Yes
	(This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one financial year).	
	(vi) in case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board whether the same has been complied with or not?	No Applicable
	Not Applicable	
	(vii) in the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;	Yes

(viii) where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained;	Not Applicable
(ix) (a) is the company regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable. shall be indicated by the auditor.	Yes
(b) in case dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned. (A mere representation to the Department shall not constitute the dispute).	Not Applicable
(x) whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year also;	No
(xi) whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Not Applicable
(xii) whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out.	Not Applicable
(xiii) whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/ mutual benefit fund/societies:	Not Applicable
(a) whether the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;	No
(b) whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard/default/loss assets;	Yes
(c) whether the company has adequate procedures for appraisal of credit proposals/ requests, assessment of credit needs and repayment capacity of the borrowers;	Yes
(d) whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower and would be conducive to recovery of the loan amount;	Yes
(xiv) if the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act	
(xv) whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	No
(xvi) whether term loans were applied for the purpose for which the loans were obtained;	Not Applicable
(xvii) whether the funds raised on short-term basis have been used for long term investment and vice versa; If yes, the nature and amount is to be indicated;	No
(xviii) whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;	No
(xix) whether securities have been created in respect of debentures issued?	
(xx) whether the management has disclosed on the end use of money raised by public issues and the same has been verified;	Not Applicable
(xxi) whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No

PLACE :: KOLKATA (CAMP)
DATED :: 14.05.12

FOR AGARWAL MAHESH KUMAR & CO.
CHARTERED ACCOUNTANTS

CINDRELLA FINANCIAL SERVICES LIMITED

9. MANGO LANE, KOLKATA

BALANCE SHEET AS AT 31ST MARCH, 2011

BALANCE SHEET AS AT 31ST MARCH, 2012

<u>Particulars</u>	<u>Note No.</u>	<u>Figures as at the end of current reporting period</u>	<u>Figures as at the end of previous reporting period</u>
I. EQUITY AND LIABILITIES			
(1> Shareholder's Funds			
(a) Share Capital	1	32,974,750.00	32,974,750.00
(b) Reserves and Surplus	2	(7,832,932.21)	(7,490,725.67)
		<u>25,141,817.79</u>	<u>25,484,024.33</u>
(2) Non-Current Liabilities			
(a) Deferred Tax Liability	3	95,060.72	94,552.71
		<u>95,060.72</u>	<u>94,552.71</u>
(4) Current Liabilities			
(c) Other Current Liabilities	4	37,739.00	35,686.00
(d) Short-Term Provisions	5	-	9,840.00
		<u>37,739.00</u>	<u>45,526.00</u>
Total Equity A Liabilities		<u>25,274,617.51</u>	<u>25,624,103.04</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	6	697,105.07	730,043.07
(b) Long Term Loans & Advances	7	3,113,927.00	2,100,000.00
		<u>3,811,032.07</u>	<u>2,830,043.07</u>
(2) Current Assets			
(a) Inventories	8	21,341,003.35	22,180,060.71
(b) Cash and cash equivalents	9	114,530.09	610,895.26
(c) Short-term loans and advances	10	8,052.00	3,104.00
		<u>21,463,585.44</u>	<u>22,794,059.97</u>
Total Assets		<u>25,274,617.51</u>	<u>25,624,103.04</u>

Notes attached there to form an integral part of Balance Sheet

AUDITORS' REPORT

In terms of our separate Report
of even date annexed hereto.

FOR **AGARWAL MAHESH KUMAR & CO.**
CHARTERED ACCOUNTANTS

PLACE :: KOLKATA (CAMP)
DATED :: 14TH DAY OF MAY, 2012

For and on behalf of the Board

RAJENDRA KUMAR BAID } DIRECTOR
SANGITA DEVI BAID }

[**CA M.K. AGARWAL**]
PROPRIETOR

CINDRELLA FINANCIAL SERVICES LIMITED

9, MANGOE LANE, KOLKATA

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2012

<u>Sr. No</u>	<u>Particulars</u>	<u>Note No.</u>	<u>Figures as at the end of current reporting period</u>	<u>Figures as at the end of previous reporting period</u>
I	Revenue from operations	11	(185,722.83)	256,943.85
II	Other Income	12	98,925.00	118,438.00
III	Total Revenue (I +II)		(86,797.83)	376,381.85
IV	Expenses:			
	Employee Benefit Expenses	13	32,400.00	30,000.00
	Depreciation & Amortisation Expenses	6	32,938.00	38,906.53
	Other Expenses	14	191,408.70	259,785.98
	Total Expenses (IV)		266,746.70	328,692.51
V	Profit before tax (III- IV)		(343,544.53)	46,689.34
VI	Tax expense:			
	(1) Current tax		-	9,840.00
	(2) Deferred tax Liabilities (Net)	3	735.73	113.86
	Total Tax Expenses (VI)		735.73	9,953.86
VII	Profit/(Loss) for the period (V - VI)		(344,280.26)	36,735.48
VIII	Earning per equity share:			
	(1) Basic		(0.08)	0.01
	(2) Diluted		(0.08)	0.01

FOR AGARWAL MAHESH KUMAR & CO.
CHARTERED ACCOUNTANTS

[CAM.K. AGARWAL]

PROPRIETOR

For and on behalf of the Board

RAJENDRA KUMAR BAID } DIRECTOR
SANGITA DEVI BAID }

PLACE :: KOLKATA (CAMP)
DATED :: 14TH DAY OF MAY,2012

CINDRELLA FINANCIAL SERVICES LIMITED

9, **MANGOE LANE, KOLKATA**

Notes Forming Integral Part of the Balance Sheet as at 31 St March, 2012

Note : 1 Share Capital

Sr. No	Particulars	Details to Notes in Annexure	Current Year	Previous Year
A	AUTHORIZED CAPITAL	4		
	44,00,000 Equity Shares of Rs. 10/- each.		44,000,000.00	44,000,000.00
			-----	-----
			44,000,000.00	44,000,000.00
B	ISSUED			
	41,60,000 Equity Shares of Rs. 10/- each		41,600,000.00	41,600,000.00
			-----	-----
C	Subscribed & Paid up Capital (a) Fully Paid up 4160000 equity shares of ' 10 each out of which calls amounting to ' 86,25,250 is unpaid		32,974,750.00	32,974,750.00
			-----	-----

Note : 2 Reserves & Surplus

A	Surplus			
	Opening Balance of Profit & Loss Account		(7,490,725.67)	(7,527,297.15)
	Add:			
	Excess Provision for taxation shown last year		2,006.00	-
	Deferred Tax Liability Reversed of Previous year		227.72	-
	Profit for the period		(344,280.26)	36,735.48
			-----	-----
			(7,832,772.21)	(7,490,561.67)
	Less: Income Tax Paid for previous year		160.00	164.00
			-----	-----
	Total		(7,832,932.21)	(7,490,725.67)
			-----	-----

Note : 3 Deferred Tax Liabilities (Net)

A	Opening Balance of Deferred Tax Liability b/f	5	94,552.71	94,438.85
	Less: Deferred Tax Assets/(Liabilities) during the year			
	Depreciation.as per Companies Act		32,938.00	39,275.00
	Depreciation.as per IT		35,319.00	38,906.53
			-----	-----
	Timing Difference		2,381.00	(368.47)
			-----	-----
B	Deferred Tax Assets/(Liability) For the Year @ 30.9%		(735.73)	(113.86)
			-----	-----
C	Add: Deferred Tax Liability Reversed of previous year		227.72	-
			-----	-----
	Total		95,060.72	94,552.71
			-----	-----

Note : 4 Other Current Liabilities

A	Other Expenses Payable			
	Electricity Charges Payable		1,784.00	390.00
			-----	-----
	Total		1,784.00	390.00
			-----	-----

CINDRELLA FINANCIAL SERVICES LIMITED

9, MANGO LANE, KOLKATA

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

Note : 6 Fixed Assets

Sr. Particulars	Rate	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		Value at the beginning	Addition during the year	Value at the end	Addition during the year	Value at the end	W.D.V. as on 31.03.12	W.D.V. as on 31.03.11
I Tangible Assets								
A Land	0%	98,000.00	-	98,000.00	-	-	98,000.00	98,000.00
B Buildings	5.00%	1,216,142.00	-	1,216,142.00	30,853.00	629,940.94	586,201.06	617,054.06
C Plant & Equipments	13.91%							
1 Air Conditioner		117,500.00	-	117,500.00	1,384.00	108,936.62	8,563.38	9,947.38
2 Equipments		58,466.50	-	58,466.50	701.00	54,125.87	4,340.63	5,041.63
3 Fax Machine		26,750.00	-	26,750.00	-	26,750.00	-	-
		202,716.50	-	175,966.50	2,085.00	189,812.49	12,904.01	14,989.01
D Furniture & Fixtures	18.91%	30,830.00	-	30,830.00	-	30,830.00	-	-
		30,830.00	-	30,830.00	-	30,830.00	-	-
Total (Current Year)		1,547,688.50	-	1,490,108.50	32,938.00	850,583.43	697,105.07	730,043.07
Total (Previous Year)		1,547,688.50	-	1,547,688.50	38,906.53	817,645.43	730,043.07	768,949.60

Details to Notes in Annexure: 7 & 9

CINDRELLA FINANCIAL SERVICES LIMITED

9, MANGO LANE, KOLKATA

Notes Forming Integral Part of the Balance Sheet as at 31st March 2012

Note : 8 Inventories

<u>Sr. No</u>	<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
A	Stock-in-trade		
1	Acknit Knitting Ltd	357,000.00	357,000.00
2	Arihant Threads Ltd	44,000.00	44,000.00
3	Ashi Fibers Ltd	98,000.00	98,000.00
4	Avonski Financial Ltd	510,000.00	510,000.00
5	Bubna Stock Broking Services Ltd	551,000.00	551,000.00
6	Cindrella Hotels Ltd	14,246,203.35	14,246,203.35
7	Dalmia Laminators Ltd	179,200.00	179,200.00
8	Dynamic Portfolio Mgmt Ltd	67,000.00	67,000.00
9	G.R. Magnets Ltd	5,112,500.00	5,112,500.00
10	J.G. Foundry Ltd	40,000.00	40,000.00
11	Passari Cellulose Ltd	90,000.00	90,000.00
12	Singh Alloys & Steel Ltd	46,100.00	46,100.00
13	Hotel Leela Venture	-	153,440.00
14	Indian Hotels Co Ltd		252,152.99
15	Reliance Power Ltd		433,464.37
		<u>21,341,003.35</u>	<u>22,180,060.71</u>

Details to Notes in Annexure :8

Sr. No	Particulars	Details to Notes in Annexure	Current Year	Previous Year
<i>Note : 5 Short Term Provisions</i>				
A	Provision For Taxation	6	-	9,840.00
B	Auditors Remuneration		35,955.00	35,296.00
	Total		<u>35,955.00</u>	<u>45,136.00</u>
<i>Note : 7 Long Term Loans & Advances</i>				
A	Capital Advances (For Land) (Unsecured & Considered Good)			
	Others			
	Arrow Hotels Ltd		<u>2,100,000.00</u>	<u>2,100,000.00</u>
B	Other Loans & Advances (Unsecured & Considered Good)			
	Sapna Kochar		<u>1,013,927.00</u>	-
	Total		<u>3,113,927.00</u>	<u>2,100,000.00</u>
<i>Note : 9 Cash & Cash Equivalents</i>				
A	Balance with Banks			
	Axis Bank, Siliguri		<u>80,351.95</u>	<u>21,979.81</u>
			<u>80,351.95</u>	<u>21,979.81</u>
B	Cheques, Drafts on Hand		-	<u>499,986.31</u>
C	Cash on Hand		<u>34,178.14</u>	<u>88,929.14</u>
	Total		<u>114,530.09</u>	<u>610,895.26</u>
<i>Note : 10 Short Terms Loans and Advances</i>				
	Others			
	(Unsecured & Considered good)			
	Income Tax Refundable (AY 2011-12)		<u>150.00</u>	-
	Tax Deducted at Source		<u>7,902.00</u>	<u>3,104.00</u>
	Total		<u>8,052.00</u>	<u>3,104.00</u>
<i>Note : 11 Revenue from Operations</i>				
A	Interest		<u>90,355.00</u>	<u>31,036.00</u>
			<u>90,355.00</u>	<u>31,036.00</u>
B	Other Financial Services			
	Consultancy Fees		<u>47,000.00</u>	<u>61,000.00</u>
	Office Equipment & Accessories Charges		<u>88,500.00</u>	<u>117,000.00</u>
			<u>135,500.00</u>	<u>178,000.00</u>
C	Income from Trading of Shares		<u>(411,577.83)</u>	<u>47,907.85</u>
			<u>(411,577.83)</u>	<u>47,907.85</u>
	Total		<u>(185,722.83)</u>	<u>256,943.85</u>

<u>Sr. No</u>	<u>Particulars</u>	<u>Details to Notes in Annexure</u>	<u>Current Year</u>	<u>Previous Year</u>
<i>Note : 12 Other Income</i>				
A	Dividend		8,925.00	4,438.00
B	Rent		90,000.00	114,000.00
			<u>98,925.00</u>	<u>118,438.00</u>
<i>Note : 13 Employees Benefit Expenses</i>				
A	Salary & Wages		32,400.00	30,000.00
			<u>32,400.00</u>	<u>30,000.00</u>
<i>Note : 14 Other Expenses</i>				
A	Power & Fuel		13,514.00	7,790.00
B	Miscellaneous Expenses		141,939.70	216,699.98
C	Payment to Auditors			
	Company Law Matters		7,865.00	7,721.00
	Statutory & Tax Audit		28,090.00	27,575.00
			<u>191,408.70</u>	<u>259,785.98</u>

CINDRELLA FINANCIAL SERVICES LIMITED

Break-up of Notes Items appearing in Profit & Loss Account as at 31st March, 2012

A. Power & Fuel

<u>Sr. No</u>	<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
1	Electricity Expenses	13,514.00	7,790.00
	Total in	<u>13,514.00</u>	<u>7,790.00</u>

B. Miscellaneous Expenses

1	Advertisement	7,000.00	
2	Demat Charges	449.00	
3	General Expenses	7,658.00	6,568.00
4	Legal Expenses	32,300.00	32,937.00
5	Listing Fees	28,126.50	22,611.00
6	Postage & Telegram	12,160.00	16,785.00
7	Printing & Stationery	17,413.00	16,595.00
8	Public Issue Expenses w/off		81,826.59
9	Filing Fees		2,500.00
10	Share Depository Charges	13,236.00	13,170.00
11	Share Transfer Expenses	23,156.00	22,731.00
12	Bank Charges	441.20	976.39
	Total	<u>141,939.70</u>	<u>216,699.98</u>

CINDRELLA FINANCIAL SERVICES LIMITED:: KOLKATA

ANNEXURE FORMING PART OF NOTES ON ACCOUNTS

1. METHOD OF ACCOUNTING :

The Company generally follows the accrual system of accounting. The Accounts are prepared on historical cost basis as a going concern and are consistent with generally accepted accounting practices.

2. INCOME RECOGNITION :

All known incomes are accounted for on accrual basis except income from dividends which are accounted for as and when received.

3. TREATMENT OF EXPENSES:

All known expenses are being accounted for on accrual basis.

4. SHARE CAPITAL:

Equity Shares have equitable voting rights.

The details of shareholding in excess of 5% are as below:

Name of Shareholder	As on 31.03.2012		As on 31.03.2012	
	Number of Share	% of Holding	Number of Share	% of Holding
Cindrella Hotels Ltd	5,46,950	13.148	5,46,950	13.148
Vivek Baid	5,89,950	14.18	5,87,754	14.129
Arrow Hotels & Resorts Ltd	7,64,900	18.387	7,64,900	18.387
GRML Capital Markets Ltd	4,03,600	9.702	4,03,600	9.702

5. DEFERRED TAX ASSET/LIABILITY:

To provide and recognize deferred tax on timing difference between taxable income and accounting income subject to consideration of prudence. Not to recognize Deferred Tax Asset on Unabsorbed Depreciation and carried forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

6. TAXES ON INCOME:

The current tax liability has been calculated after considering the permissible tax exemption, deduction and disallowances as per the provisions of the Income Tax Act, 1961 and provided for as short term provisions.

7. FIXED ASSETS:

Fixed Assets are stated at their historical cost inclusive of legal and/or installation charges less Depreciation. Details of Fixed Assets have been given in "Note no 9" forming part of Balance Sheet and Profit & Loss Account. None of the Fixed Assets have been revalued during the year.

Pursuant to Accounting Standard (AS-28), Impairment of Assets coming into effect, the company has assessed all the assets and found that there is no external/internal indication of impairment of assets. So the company has not made the provision for impairment of assets.

8. INVENTORIES:

Inventories have been valued at lower of Cost. As the Company is involved in trading of shares, the inventories of the Company includes the shares of various Companies.

9. DEPRECIATION:

Depreciation on Fixed Assets is provided on Written Down Value Method on a consistent basis as per Schedule XIV of the Companies Act, 1956 on pro-rata basis. Details of depreciation have been stated in "Note no 6" forming part of Balance Sheet and Profit & Loss Account.

10. RELATED PARTY TRANSACTIONS:

The details regarding related parties and transactions taken place between them during the financial year 2011-12 has been given below.

Name of the Related Party	Nature of relationship	Amount of transaction - during the year/ brought forward	Amount outstanding at the end of the financial year 2011-12
Arrow Hotels & Resorts Ltd	Common Key Managerial Personnel	Advance of '21,00,000/- Agiven b/f from previous year	'21,00,000/- (Dr)
M/s Raj Publishers	Enterprises in which key management personnel has significant interest	Rent and Equipment hire charges amounting to 90,000/- and 88,500/- received during the year. A loan of ' 10,00,000/- was given and received back during the year earning an interest of ' 63,533/-	NIL
Venus Baid	Relatives of Key Managerial Personnel	Loan given and received back during the year ' 10,00,000 and interest earned thereon for ' 11,347/-	NIL
Sapna Kochar	Relatives of Key Managerial Personnel	Loan given during the year 10,00,000 and interest earned thereon for ' 13,927/-	10,13,927/- (Dr)

1. Basic and diluted earning per share (pursuant to AS-20)

Particulars	31.03.2012	31.03.2011
Net Profit for the year (in ')	(3,44,280.26)	36,735.48
Weighted Average Number of equity Shares.	32,97,475.00	32,97,475.00
Nominal value of Shares	10.00	10.00
Basic & Diluted earning per share (in ')	(0.08)	0.01

2. No Contingent liabilities existed as on 31.03.2012.

3. Figures of the previous year have been regrouped and/or recasted wherever necessary.

FOR AGARWAL MAHESH KUMAR & CO.
CHARTERED ACCOUNTANTS

(CA.M.K.AGARWAL)

Proprietor
M.No.54394

PLACE: KOLKATA (CAMP)
DATED: 14.05.12

CINDRELLA FINANCIAL SERVICES LIMITED
9, MANGO LANE, KOLKATA

CASH FLOW STATEMENT AS ON 31st MARCH, 2012
(Pursuant to the Listing Agreement)

CURRENT YEAR

CASHFLOW FROM OPERATING ACTIVITIES :

Net Profit before Tax and Extraordinary items (343,544.53)

Adjustment for :

Depreciation	32,938.00	
Interest	(13,927.00)	
Dividend	(8,925.00)	
Rent	(90,000.00)	(79,914.00)

Operating Profit before Working Capital Changes (423,458.53)

Adjustment for :

Inventories	839,057.36	
Short Term Loans & Advances	(4,948.00)	
Other Current Liabilities	2,053.00	836,162.36

Cash generated from operations 412,703.83

Income Tax paid for previous year 35,319.00

Direct Taxes Paid 9,840.00

CASH FLOW BEFORE EXTRAORDINARY ITEMS 367,544.83

EXTRA ORDINARY ITEMS

NET CASH FROM OPERATING ACTIVITIES (A) 367,544.83

CASH FLOW FROM INVESTING ACTIVITIES :

Dividend	8,925.00	
Rent	90,000.00	

NET CASH FROM INVESTING ACTIVITIES (B) : 98,925.00

CASH FLOW FROM FINANCING ACTIVITIES :

Loan Given (1,000,000.00)

Net Cash from Financing Activities (C) (1,000,000.00)

NET INCREASE IN CASH AND CASH EQUIVALENTS : (533,530.17)

(Total - A+B+C)

CASH AND CASH EQUIVALENTS (Opening Balance) 610,895.26

CASH AND CASH EQUIVALENTS (Closing Balance) 77,365.09

AUDITORS' CERTIFICATE

We have verified that above statement mm THE BOOKS and records maintained by **CINDRELLA FINANCIAL SERVICES LIMITED** and certify that in our opinion and according to the information and explanations given to us, the above statement is in accordance therewith.

FOR AGARWAL MAHESH KUMAR & CO.

CHARTERED ACCOUNTANTS

[**M.K. AGARWAL**]

Directors
PROPRIETOR

For and on behalf of the Board

RAJENDRA KUMAR BAID } DIRECTOR
SANGITA DEVI BAID }

PLACE : KOLKATA (CAMP)

DATED ** The 14 th Day of May, 2012.

CINDRELLA FINANCIAL SERVICES LIMITED

Regd. Office : 9, **Mangoe Lane**, 3rd Floor,
Kolkata - 700 001

FORM OF PROXY

I/We.....of

.....being a member/Member (s) of Cindrella

Financial Services Ltd. hereby appoint.....
of.....of filling him behalf of the 18th Annual General Meeting of
the Company to be held at 10.30 a.m. Thursday the 27th day of September 2012
and at any adjournment there of.

Signed this.....day of.....2012

Signature.....

- Note :
1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
 2. A proxy need not be a member.
 3. The form thus completed should be deposited at the Registered Office of the Company at 9, Mangoe Lane, 3rd Floor, Kolkata -1 not later than fortyeight hours before holding the meeting.

Registered Folio No.....

CINDRELLA FINANCIAL SERVICES LIMITED

Regd. Office : S, **Mangoe Lane**, 3rd Floor,
Kolkata - 700 001

Registered Folio No.....

Name of the Shareholder.....

No. of Shares
held.....

I hereby record my presence at the 17th Annual General Meeting of the Company to be held at 10.30 a.m. Thursday the 27th day of September 2012 at the Registered Office of the Company at, 9 Mangoe Lane, 3rd Floor, Kolkata-700001.

Signature of the Shareholder of Proxy

BOOK POST

If undelivered, please return to :
CINDRELLA FINANCIAL SERVICES LIMITED
9, MANGOE LANE, 3RD FLOOR, KOLKATA : 700 001