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15TH
ANNUAL REPORT
2004 - 2005

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THE FINANCE PEOPLE

CUBICAL FINANCIAL SERVICES LIMITED

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CUBICAL FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Shri Ashwani K. Gupta	*Managing Director*
Shri Sushil Kumar Goel	*Director*
Shri Narender Kumar Gaba	*Director*
Shri N.S.R. Prasad Raju	*Director*

AUDITORS

M/s Faruqui & Company
Chartered Accountants
211, Delhi Chambers,
Delhi Gate, Delhi-110 022

BANKERS

Canara Bank
Sector-9, Rohini, Delhi

REGISTERED OFFICE

253, Aggarwal Central Plaza,
7, Community Centre,
Sector-9, Rohini,
Delhi-110 085

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Center,
New Delhi-110 062

Contents ..... **Page No.**

Notice	2
Director's Report	3-4
Corporate Governance Report	5-9
Auditor's Report	10-11
Balance Sheet	12
Profit & Loss Accounts	13
Schedules	14-23
Cash Flow Statement	24

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NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of Company will be held on Friday the 23rd September, 2005 at 10.00 A.M. at Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, New Delhi-110 038 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as on 31st March, 2005, Profit & Loss Account for the period ended 31st March, 2005 together with reports of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Sh. N.S. R. Prasad Raju, who retires by rotation, being eligible offers himself for the re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
for **CUBICAL FINANCIAL SERVICES LIMITED**
Sd/-
(Ashwani K. Gupta)
Managing Director

Place : Delhi
Date : 25.08.2005

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The Proxies in order to be effective must received by the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and share Transfer of the Company will remain closed from Monday 19th September, 2005 to Friday 23rd September, 2005 (both days inclusive).
3. The Company's shares have been notified for compulsory dematerialization w.e.f. June 22, 2002. Accordingly trading of shares of the company will be allowed only in de-mat form.
4. Member are requested to notify immediately any change of address to their Depository Participants (DP's) in respect of their electronic share account and the Company's Registrar & Share Transfer Agents & to the Company at its Registered Office in respect of their physical share folios, if any.
5. Members are requested to produce at the entrance the enclosed attendance slip duly completed and signed for admission to meeting place.
6. Members are requested to bring their copies of the Annual Report to the meeting.
7. Company's equity shares are listed on the following Stock Exchanges:
   a) The Delhi Stock Exchange Association Limited,
      DSE House, 3/1, Asaf Ali Road, New Delhi-110 002
   b) The Stock Exchange, Mumbai,
      Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
8. No Gift/Gifts Coupons shall be provided to the members.

By Order of the Board
for **CUBICAL FINANCIAL SERVICES LIMITED**
Sd/-
(Ashwani K. Gupta)
Managing Director

Place : Delhi
Date : 25.08.2005

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DIRECTOR'S REPORT

To the Members,

Your Directors hereby submit the 15th Annual Report and the Audited Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS *(Rs. in lakhs)*

PARTICULARS	*For the year ended 31.03.2005*	*For the year ended 31.03.2004*
Total Income	**8.72**	37.36
Total Expenditure	**8.55**	16.95
Depreciation/Provisions	**15.44**	15.96
Profit/(Loss) before Tax	**(15.27)**	4.45
Less Provisions for MAT	**—**	—
Add Deferred Tax Assets	**(0.32)**	-1.87
Profit/(Loss) after Tax	**(15.59)**	2.58
Paid up Equity Capital	**303.40**	303.40

During the year under review your company has suffered a loss of Rs.15.59 lacs as compared to profit of Rs.2.58 lacs of the previous year. Keeping in view the financial position, your Directors do not recommend any dividend for the year under review

Your Company has taken necessary steps to appoint the whole time Company Secretary in terms of the provisions of section 383A of the Companies Act, 1956. However, your Company is complying with all the statutory requirements with the assistance of whole time Company Secretary in Practice.

DIRECTORS RESPONSIBILITY STATEMENT

Yours Directors confirm that:

i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with explanation relating to material departures;

ii) The Directors have 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 loss of the Company for that period;

iii) The Directors have 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 frauds and other irregularities and

iv) The Directors have prepared the Annual Accounts for the financial year ended 31st March 2005 on a 'going concern basis'

DIRECTORS

Sh. N.S. R. Prasad Raju, retire by rotation and being eligible offers himself for re-appointment.

AUDITOR'S REPORT

The Auditor's reports are self-explanatory and do not require any comments from the Board of Directors.

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AUDITORS

M/s Faruqui & Company, Chartered Accountants, Delhi Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are being eligible offer themselves for re-appointment. A certificate under section 224(1B) of the Companies Act, 1956 has been obtained from them. Your Directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES

During the year under review no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as laid down under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Hence information required under section 217 (2A) of the Companies Act, 1956 is not given.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

The particulars as required under section 217 (1) (e) of the Companies Act, 1956 in respect of the conservation of energy and technology absorption have not been furnished considering the nature of business undertaken by the Company during the year under report.

FOREIGN EXCHANGE EARNING AND OUTGO

There was no foreign exchange earning & outgo during the financial year under review.

STOCK EXCHANGE LISTING

The shares of your Company are listed at Delhi and Mumbai Stock Exchanges, pursuant to clause 38 of the Listing Agreement, listing fees has been paid for the financial year 2005-2006 to the Stock Exchanges.

FIXED DEPOSITS

The Company has not accepted any fixed deposits within the meaning of section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report alongwith the required certificate on its compliance.

Management discussion and Analysis Report forms a part of the Corprate Governance Report.

ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the co-operation and continued assistance received from Bankers, Officers and Staff of the Company.

On behalf of the Board
for **CUBICAL FINANCIAL SERVICES LIMITED**

	Sd/-	Sd/-
Place : Delhi	**(Ashwani K. Gupta)**	**(N S R Prasad Raju)**
Date : 21.06.2005	*Managing Director*	*Director*

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REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2004-2005

(As required under Clause 49 of the listing agreement entered in to with the Stock Exchanges)

1. A Brief Statement on Company's Philosophy on Code of Governance:

Cubical's Corporate Governance philosophy is based on ethical values including, integrity, honesty, justice, transparency and responsiveness to stakeholders. The company continuously endeavors to improve on these aspects on an ongoing basis.

2. Board of Directors:

The Board comprises 4 members- 1 Executive Director and 3 Non-Executive Directors. Eight Board meetings were held during the year. These were held on 26-04-04, 30-06-04, 20-07-04, 24-08-04, 20-10-04, 18-11-04, 28-01-05 & 21-02-05. The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting as also number of other Directorships/Memberships of Committees are as follows:

Name of Director	Category of Directorships	Attendance in Board Meetings during 2004-2005	Attendance at last AGM	No. of other Director-ship	Committee Membership/ Chairmanship
Sh. Ashwani K. Gupta	Managing Director	8	Yes	–	–
Sh. Sushil Kumar Goel	Non Executive Director	3	Yes	–	–
Sh. N.S.R. Prasad Raju	Non Executive Independent Director	8	Yes	–	2
Sh. Narender Kumar Gaba	Non Executive Independent Director	6	Yes	4	2

3. Audit Committee:

The audit committee comprises three non-executive Directors. The Chairman is Mr. Narender Kumar Gaba who as Chartered Accountants, has considerable financial expertise and experience.

The Terms of Reference the Audit Committee is in conformity with the requirement of clause 49 of the Listing Agreement. The Term Reference of the Audit Committee were revised in view of the amended clause 49 of the Listing Agreement. However, in view of SEBI circular deferring implementation of the amended clause 49, the implementation of the revised Terms of Reference has been deferred.

Four Audit Committee meetings were held during the year. These were held on 30th June 2004, 20th July 2004 & 20th October 2004 & 28th January 2005.

Attendance at Audit Committee Meetings during the year was as follows.

Member	Meeting held during the Year	Meeting Attended
Sh. Narender Kumar Gaba (Chairman)	4	4
Sh. N.S.R. Prasad Raju	4	4
Sh. Sushil Kumar Goel	4	1

Mr. Narender Kumar Gaba, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on 24.09.2004.

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4. Remuneration of Directors:

The Company has constituted Remuneration committee, which comprises three non-executive Directors viz: Mr. Narender Kumar Gaba, Mr. N.S.R. Prasad Raju and Mr. Sushil Kumar Goel. The Committee met once during the year. Mr. Ashwani K. Gupta was appointed as Managing Director of the Company for a period of five years w.e.f. 1st October, 2004 on the terms and conditions which has been approved by the shareholders at its Annual General Meeting held on 24.09.2004

The Board of Directors of the Company has been authorized to vary or increase the remuneration of Managing Director within ceiling fixed by the shareholders. Given below are the details of actual payments made to Executive/Non- Executive Directors for the period 01-04-04 to 31-03-05.

Name of Directors	Business relationship	Remuneration paid/payable from 01.04.04to 31.03.05		
		Sitting fees	Salary & Perks	Total
Sh.Ashwani K. Gupta	Executive Director	–	1,20,000	1,20,000
Sh.Sushil Kumar Goel	Non Executive Director	–	–	–
Sh. N.S.R. Prasad Raju	Non Executive Independent Director	–	–	–
Sh. Narender Kumar Gaba	Non Executive Independent Director	–	–	–

5. Shareholder's/Investor's Grievance Committee:

The Shares of the company are being compulsorily traded in dematerialized form. However, the request for re-materialization and transfer of shares in physical mode are approved by the Share Transfer Committee. Committee of the Board of Directors of the Company known as Share transfer committee looks after the grievance of shareholders of the company. The Committee is headed by Shri N.S.R. Prasad Raju. The committee has been holding regular meetings to ensure compliance with the provisions of the Companies Act, 1956 and the Listing Agreement and to ensure the proper services of investors. During the financial year 2004-2005, Company has not received any complaints regarding transfer of shares etc.

6. Postal Ballot:

During the financial year under review, no postal ballot was conducted by the company and no special resolution is proposed to be conducted through postal ballot by the Company.

7. General Body Meetings:

Location and time where last three Annual General Meetings were held are given below:

Financial year	Date	Time	Venue
2001-2002	27.09.2002	10.00 A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036
2002-2003	25.09.2003	10.00 A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036
2003-2004	24.9.2004	10.00A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036

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8. Disclosures:

There are no materially significant related party transactions, which may have potential conflict with the interest of the company. Member may refer notes to accounts attached with the Balance Sheet for related party transactions.

9. Means of Communication:

The quarterly, half yearly and annual financial results are published in national newspapers. The company is also providing regular information to the Stock Exchanges as per the requirements of the Listing Agreements. SEBI/Stock Exchanges have never imposes any penalty on the Company for violation of any law/agreement.

10. General Shareholder Information:

A. Annual General Meeting

Date and Time : Friday the 23rd September,2005 10.00 A.M.

Venue : Asha Farms, Opposite Swami Vivekanand
Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036

B. Financial Calendar

The company follows April-March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter except for the last quarter for which the results were declared in June 2005 as permitted under the listing agreement.

C. Date of Book Closure

19th September 2005 to 23rd September, 2005 (both days inclusive) for Annual General Meeting of the Company.

D. Listing on Stock Exchanges

The Company's shares are listed on The Delhi Stock Exchange Association Limited, New Delhi and The Stock Exchange, Mumbai.

E. Market Price Date

The shares of the company are thinly traded during the financial year 2004-05. The highest and lowest price of equity shares of company was Rs. 6.42 & 1.89 (Source: BSE Website www.bseIndia.com. The Company Scrip code is 511710).

F. Registrar and Share Transfer Agents

Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Center,

New Delhi-110 062

G. Share Transfer system

Applications for transfer of shares held in physical from are received at the Regd. Office of the company as well at the office of Registrar and share transfer Agents of the company. All valid requests for transfers of shares are processed and dispatched d within 15 days from the date of receipt.

Shares held in the dematerialized form are electronically traded by Depository Participants and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficially holdings so as to enable them to update their records and to send all corporate communications.

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