

**12TH
ANNUAL REPORT
2008 - 2009**

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 **Cubical Financial Services Ltd.**

CUBICAL FINANCIAL SERVICES LIMITED**BOARD OF DIRECTORS**

Shri Ashwani K. Gupta	<i>Managing Director</i>
Shri Mohinder Sain Gupta	<i>Director</i>
Shri N.S.R. Prasad Raju	<i>Director</i>
Shri Ankur Gupta	<i>Director</i>
Ms. Sangeeta Sahn	<i>Company Secretary</i>

AUDITORS

M/s. Faruqui & Company
Chartered Accountants
 211, Delhi Chambers,
 Delhi Gate, Delhi-110 002

BANKERS

- 1. Canara Bank**
Sector-9, Rohini, Delhi-110085
- 2. HDFC Bank Ltd.**
Aggarwal Millennium Tower-II
Netaji Subash Place, Pitampura,
Delhi-110034

REGISTERED OFFICE

456, Aggarwal Metro Heights,
 Netaji Subhash Place,
 Pitampura, Delhi-110 034

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	2-3
Director's Report	4-5
Corporate Governance Report	5-14
Auditor's Report	15-16
Balance Sheet	17
Profit & Loss Accounts	18
Schedules	19-27
Cash Flow Statement	28



CUBICAL FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of Cubical Financial Services Ltd. will be held on Tuesday the 29th September, 2009 at 10.00 A.M. at Multipurpose Community Centre, Ghoga Village (Near Main Bus Stop) Delhi-110039 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as on 31st March, 2009, Profit & Loss Account for the year as on date and the Directors and Auditors Reports thereon.
2. To appoint a Director in place of Sh. NSR 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.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as on ordinary resolution:
 "Resolved that pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ankur Gupta be and is hereby appointed as Director of the company liable to retire by rotation."

By Order of the Board
for **CUBICAL FINANCIAL SERVICES LIMITED**

Sd/-

(Ashwani K. Gupta)

Managing Director

Place : Delhi

Date : 05.09.2009

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 THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Explanatory statement pursuant to Section 173(2) of Companies Act, 1956, which sets out details relating to special business to be transacted at the meeting, is annexed hereto.
4. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).
5. 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.
6. Member are requested to:
 - (a) Intimate the Company the change, if any, in their registered address or to their Depository Participants (DP's) at the earliest, 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.
 - (b) Quote ledger folio numbers/ DP ID- Client ID in all their correspondence.
 - (c) Members seeking further information about the accounts are requested to write to the Company atleast one week before the date of the meeting giving details of the information required.

CUBICAL FINANCIAL SERVICES LIMITED

7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Company's equity shares are listed on the following Stock Exchanges:
 - (a) Delhi Stock Exchange Limited,
DSE House, 3/1, Asaf Ali Road, New Delhi-110 002
 - (b) Bombay Stock Exchange, Ltd.,
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
9. No Gift/Gifts Coupon 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 : 05.09.2009

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

The Board of Directors of the Company had at its meeting held on 21st August, 2009 appointed Mr. Ankur Gupta as an Additional Director of the company. In terms of the provisions of section 260 of the Companies Act, 1956 read with Article 107 of the Articles of Association of the Company, Mr. Ankur Gupta holds his office only upto to the date of this Annual General Meeting.

Mr. Ankur Gupta is a Practicing Chartered Accountant, is a member of the Institute of Chartered Accountants of India and has a good experience in the field of finance and the business of the company.

Your company has received a notice, in writing from a shareholder, under section 257 of the Companies Act, 1956 along with a requisite deposit, signifying his intention to appoint Mr. Ankur Gupta as an Independent Director of the company. The Board considers it desirable that the Company should continue to avail the services of Mr. Ankur Gupta and accordingly recommends the resolution for the approval of the members of the company.

As declared by Mr. Ankur Gupta, he does not hold any equity shares in the company.

None of the Directors except Mr. Ankur Gupta is interested and / or concerned in the above resolution.

By Order of the Board
for **CUBICAL FINANCIAL SERVICES LIMITED**

Sd/-

(Ashwani K. Gupta)
Managing Director

Place : Delhi

Date : 05.09.2009



CUBICAL FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 19th Annual Report of the Company alongwith the Audited Statements of Accounts for the year ended on March 31, 2009 together with Auditor's Report thereon.

FINANCIAL RESULTS

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2009	For the year ended 31.03.2008
Total Revenue	23.41	-6.24
Total Expenditure	11.19	15.77
Depreciation/Provisions	0.75	0.93
Profit/(Loss) before Tax	11.45	-22.94
Provisions for Taxation	-	-0.21
Provisions for Fringe Benefit Tax	0.04	-0.08
Deferred Tax Assets	-	0.56
Profit/(Loss) after Tax	11.41	-22.68
Paid up Equity Capital	303.40	303.40

Financial Review

During the year under review your company has been able to report a satisfactory performance with total profits before tax of Rs. 11.45 Lacs as against a loss in the previous year of Rs. 22.94 Lacs.

Dividend

Your directors do not recommend any dividend for the financial year 2008 – 09 in order to meet the requirements of funds into business of the company.

Public Deposits

During the year under review, your company has not invited or accepted any deposits within the meaning of Section 58A of the Companies Act, 1956. There are no unpaid or unclaimed deposits as on date with the Company.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

During the year under review, statement of particulars required to be disclosed under the said section read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 is not given as the provisions of Section 217(1) (e) of the Companies Act, 1956 are not applicable to the Company.

Particulars of Employees u/s 217 (2A) of the Companies Act, 1956

During the year under review, the Particulars of employees required under the provisions of section 217(2A) of the Companies Act, 1956 are not given as none of the employees of the Company was in receipt of the salary in excess of the limits prescribed under the aforesaid section of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Directors

During the year under review, Mr. Ankur Gupta was appointed as an Additional Director of the Company by the Board w.e.f. August 21, 2009. In terms of Section 260 of the Companies Act, 1956, his tenure as Director expires on the date of the ensuing Annual General Meeting i.e. September 29, 2009. Mr. Ankur Gupta, being eligible has offered his candidature to be appointed as an Independent Director of the company. The resolutions for the appointment of Mr. Ankur Gupta as an Independent Director of the company are coming up for the approval of shareholders in the ensuing annual general meeting. The Board recommends the resolution for adoption by the members.

Mr. N. S. R. Prasad Raju, Director retire by rotation at the ensuing annual general meeting of the company and being eligible have offered himself for reappointment.

Mr. Sunil Kumar, had resigned from the Board of Directors of the company w.e.f. August 21, 2009. Your Directors wish to place on record the appreciation of the valuable services rendered by Mr. Sunil Kumar to the company.



CUBICAL FINANCIAL SERVICES LIMITED

Auditors' Report

The Auditors' Report is self explanatory and do not require any comments from the Board of Directors of the company.

Statutory Auditors

M/s. Faruqui & Company, Chartered Accountants, New Delhi, Statutory Auditor of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956, confirming their eligibility for re-appointment. Your Directors recommend their re-appointment.

Reports on Corporate Governance

Your company is committed to maintain the highest standards of Corporate Governance. As required under clause 49 of the Listing Agreement with the Stock Exchanges a report on Corporate Governance is given in the Annual Report. Certificate from the Practicing Company Secretary regarding the compliance with the conditions of the corporate is also given therewith.

Management Discussion and Analysis

A detailed Management Discussion and Analysis is provided in the Annual Report.

Directors Responsibility Statement

As per the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors make the following statement:

- That in the preparation of the Annual Accounts for financial year ended March 31, 2009; the applicable Accounting Standards have been followed along with proper explanation relating to the material departures;
- That the 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 or loss of the Company for the financial year under review;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities; and
- That the Directors have prepared the Annual Accounts for the financial year ended March 31, 2009 on a going concern basis.

Human Resources

Your Company has put in place effective human resource acquisition and maintenance function, which is benchmarked alongwith best corporate practices designed to meet the organizational needs and it takes pride in its highly motivated manpower that contributed its best to the Company. The Employee's relations within the organization have been very cordial and harmonious during the year and Human Relation Policies were reviewed and upgraded in line with the Company's future objectives.

Acknowledgements

The directors take this opportunity to thank company's customers, bankers for their consistent support and co-operation to the company. Your directors also acknowledge with appreciation the support and co-operation rendered by various Govt. agencies and Departments. Your Directors would also like to thank all the employees of the Company for their dedicated efforts and hard work put in for the success of the Company. Your Directors also wish to express their gratitude to the Shareholders for the confidence reposed by them in the company and for the continued support and co-operation.

By Order of the Board
for CUBICAL FINANCIAL SERVICES LIMITED

Sd/-

(Ashwani K. Gupta)
Managing Director.

Sd/-

(M.S. Gupta)
Director

Place : Delhi

Date : 29.06.2009



CUBICAL FINANCIAL SERVICES LIMITED

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2009

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

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

At Cubical Corporate Governance is an integral part of values, ethics and the best business practices followed. The core values of the company are:

- Commitment to excellence
- Maximising long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practice with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. The company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with the stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. Board Composition and Particulars of Directors:

Board of Directors:

The Company is managed and controlled through a professional Board of Directors ("Board") comprising of a combination of requisite executive and non-executive independent directors. The composition of the board of the company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchange(s). The present strength of the board is four members.

Composition of the Board as on March 31, 2009

Category of Directors	Nos. of Directors	% of Total Nos. of Directors
Executive Directors	1	25%
Non-Executive Independent Directors	2	50%
Other Non-Executive Directors	1	25%
Total	4	100.00

Independent directors provide appropriate annual certifications to the board confirming satisfaction of the conditions of their being independent as laid down in Clause 49.

Board Meetings and Procedures:

During the financial year under review, ten (10) meetings of the Board were held on April 21, 2008, May 19, 2008, June 30, 2008, July 22, 2008, October 8, 2008, October 31, 2008, November 22, 2008, December 26, 2008, January 29, 2009 and February 16, 2009. In compliance to the clause 49 of the Listing Agreement, the gap between any two (2) board meetings does not exceed four (4) months.

Board Meetings are generally held at the registered cum head office of the company. The notice and agenda alongwith the necessary explanatory notes are sent to each Director well in advance to enable them to take informed decisions.

The Board periodically reviews the working of the company and compliance of all laws applicable to your company.

Particulars of Directors

The Board of Directors attendances at the meeting during the financial year and at the last Annual General Meeting as also number of other Directorships/Memberships of Committees are as follows:



CUBICAL FINANCIAL SERVICES LIMITED

Name of Director	Category	Attendance at		No. of Directorship of Other Public Companies	No. of Membership of other Board Committees
		Board Meetings (10 Meeting)	17th AGM held on 26.09.2008		
Mr. Ashwani Kumar Gupta	Promoter- Executive	10	Yes		
Sh. M. S. Gupta	Promoter- Non-Executive	10	Yes		3
Mr. N. S. R. Prasad Raju	Independent- Non-Executive	10	Yes		3
Mr. Sunil Kumar	Independent- Non-Executive	9	Yes		3

Code of Conduct:

In terms of the provision of clause 49 of the Listing Agreement and contemporary practices of good corporate governance, the board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The same has also been circulated to all the members of the Board and Senior management personnel and the compliance to the same is affirmed by them annually.

Declaration:

I confirm that the company has obtained from all board members and senior management of the company their affirmation of compliance with the code of conduct for the financial year 2008 – 09.

Place : Delhi
Date : 29.06.2009

Sd/-
(Ashwani K. Gupta)
Managing Director

3. Audit Committee:

Your board has constituted an audit committee of directors comprising of three (3) Directors as its members. Of these two (2) members are Non-Executive Independent Directors. The Chairman of the committee is Sh. NSR Prasad Raju, who is a non-executive independent director and has considerable financial expertise and experience. The 'Terms of Reference' of the Committee are in conformity with the current requirements of the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Managing Director, Statutory Auditor and Mr. P. C. Sharma, Head of Account and Finance, of the company are permanent invitees to the meeting of the committee. The company secretary of the company acts as a secretary of the Audit Committee.

During the financial year under review, Audit Committee meetings were held for four (4) times. These were held on June 30, 2008, July 22, 2008, October 31, 2008 & January 29, 2009. Composition of the Audit Committee and attendance of Members at the Audit Committee Meetings held during the financial year 2008 – 09 are as detailed hereunder:

Name & Designation of Committee Member	Category	Attendance at Committee Meeting (4 Meetings)
Mr. N.S.R. Prasad Raju, Chairman	Non-Executive Independent Director	4
Sh. M. S. Gupta	Non-Executive Director	4
Mr. Sunil Kumar	Non-Executive Independent Director	4



CUBICAL FINANCIAL SERVICES LIMITED

Mr. NSR Prasad Raju, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on September 26, 2008.

4. Remuneration Committee :

Your Board has constituted a remuneration committee of director comprising of three (3) Directors as its members. All the members of the committee are non-executive Directors viz: Mr. N.S.R. Prasad Raju and Sh. M. S. Gupta and Mr. Sunil Kumar, of these two (2) are Independent Directors.

During the year under review, the Remuneration Committee met twice during the year i.e. on September 30, 2008 and March 31, 2009.

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 during the financial year 2008 – 09.

Name of Director	Business Relationship	Remuneration Paid / Payable during the Financial Year 2008 – 09		
		Sitting Fees	Salary & Perks	Total
Mr. Ashwani Kr. Gupta	Executive Director	-	1,80,000.00	1,80,000.00
Sh. M. S. Gupta	Non-Exec. Director	-	-	-
Mr. N.S.R. Prasad Raju	Non-Exec. Independent Director	-	-	-
Mr. Sunil Kumar	Non-Exec. Independent Director	-	-	-

Non-executive directors did not have any other pecuniary relationships or transactions vis-à-vis the company during the financial year under review except as stated above.

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.

Your Board of the Company has constituted a committee of Directors known as Share transfer committee to look after the grievance of shareholders of the company. The Committee is headed by Shri N.S.R. Prasad Raju, Non-executive independent director.

Main function of the committee is to strengthen the investor relations. The company secretary of the company, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Shareholder's/Investor Grievance Committee.

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 2008-2009, 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:

The 19th Annual General Meeting of the company for the financial year 2008 – 09 will be held on Tuesday, September 29, 2009 at 10.00 a.m. at Multipurpose Community Centre, Ghoga Village (Near Main Bus Stand) Delhi-39.

Location and time where last three Annual General Meetings of the company were held are as given below :