

**23RD
ANNUAL REPORT
2012–2013**

 Cubical Financial Services Limited



Shri Ashwani K. Gupta *Managing Director*
Mr. Ashish Bhala *Director*
Mr. NSR Prasad Raju *Addl. Director*
Mr. Rakesh Kumar *Director*

COMPANY SECRETARY

Mr. Rishi Kumar Sharma *Company Secretary*

AUDITORS

M/s. Krishan Rakesh & Co.
Chartered Accountants
8/14 Kalkaji Extension,
New Delhi-110 009

BANKERS

HDFC Bank Ltd.
Aggarwal Millennium Tower-II,
Netaji Subhash Place,
Pitampura, Delhi-110 034

Oriental Bank of Commerce
Extension Counter, Kirorimal College,
University of Delhi,
Delhi-110007

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

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of Company will be held on Friday the 27th September, 2013 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, 2013, Profit & Loss Account and Cash Flow Statement for the period ended 31st March, 2013 together with Reports of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Sh. Rakesh Kumar, 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. Confirmation of Mr. NSR Prasad Raju as Director of the Company

To consider and if thought fit, to pass with or without modification if any the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. NSR Prasad Raju, who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956 at the meeting of the Board of Directors of the Company held on 19TH August, 2013 whose term expires at the Annual General Meeting of the Company scheduled to be held on 27th September, 2013, be and is hereby appointed as a Director of the Company **".**

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

Sd/-

(Ashwani K. Gupta)
Managing Director

Place : Delhi

Date : 02.09.2013

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 be 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 Friday 20th September, 2013 to Friday 27th September, 2013 (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 who hold shares in de-materialized form are requested to bring their client I.D. & DP I.D. Nos. for easier identification of attendance at the meeting.
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 Limited,
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

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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 : 02.09.2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Mr. NSR Prasad Raju was appointed as Additional Director of the company with effect from 19st August, 2013 and as per the provisions of the Section 260 of the Companies Act, 1956. His term of office expires at the ensuing Annual General Meeting.

Your Directors recommend the ordinary resolution for the approval of members.

None of the directors are interested in the resolution.

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

Sd/-

(Ashwani K. Gupta)

Managing Director

Place : Delhi

Date : 02.09.2013

**DIRECTOR REPORTS**

**The Shareholders,
Cubical Financial Services Limited
Delhi**

Your Directors take pleasure in presenting the 23rd Annual Report of the company along with the Audited Statement of Account for the year ended on March 31, 2013 together with the Auditors Report thereon.

FINANCIAL RESULTS**(Rs. in lakhs)**

PARTICULARS	For the year ended 31.03.2013	For the year ended 31.03.2012
Total Revenue	40.69	41.62
Total Expenditure	36.68	29.70
Depreciation/Provisions	0.11	0.16
Profit/(Loss) before Tax	3.90	11.76
Provisions for Taxation	1.23	3.48
Profit/(Loss) after Tax	2.67	8.28
Paid up Equity Capital	1303.40	1303.40

FINANCIAL REVIEW

During the year under review your company has been able to report total profits before tax of Rs.3.90 Lacs as compared to profit earned in the previous year of Rs. 11.76 Lacs.

DIVIDEND

Your directors do not recommend any dividend for the financial year 2012-2013 in order to meet the requirements of the 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 the date with the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING 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.

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.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles and Association of the Company Mr. Rakesh Kumar retires by rotation at ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. Mr. NSR Prasad Raju was appointed as Additional Director w.e.f 19/08/2013 and being eligible offer himself for appointment as Director at the ensuing Annual General Meeting and Mr Ankur Gupta resigned from the directorship of the company w.e.f. 19th August, 2013

**AUDITOR'S REPORT**

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

STATUTORY AUDITORS

M/s. Krishan Rakesh & Co., 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.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance report and Corporate Governance Compliance Certificate are provided as per separate Annexure to the report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS RESPONSIBILITY STATEMENT

On the basis of compliance certificate received MD and other executives of the Company and subject to disclosures in annual accounts as on 31.3.2012 on the basis of discussions with Statutory Auditors of the Company from time to time-

- I. Your Directors confirm that in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanations relating to material departures/variations.
- II. Such accounting policies have been selected and applied which 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 31st March, 2013 and of the Profit of the Company for the year.
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Directors have prepared the annual accounts on a going concern basis.

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 2012-2013 to the Stock Exchanges.

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.

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

Sd/-
(Ashwani K. Gupta)
Managing Director

Sd/-
(Ashish Bhala)
Director

Place : Delhi
Date : 02.09.2013

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**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2013****(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
- Socially valued enterprise and
- Maximising long term shareholders' value
- 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, 2013 :

Category of Directors	Nos. of Directors	% of Total Nos. of Directors
Executive Directors	1	25%
Non-Executive Independent Directors	3	75%
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 composition and particulars of Directors :**Board of Directors :**

The Board currently comprises 4 members- 1 Executive Director and 3 Non-Executive Directors. During the year 8 (Seven) Board meetings were held on 21-04-12, 28-05-12, 03-08-12, 24-8-12, 03-09-12, 12-11-12, 3-12-12 and 12-02-13. 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	Positions	Attendance in Board Meetings during 2012-2013	Attendance in the last AGM	No. of other Directorships	Committee Membership/ Chairmanship
Sh. Ashwani K. Gupta	Managing Director	8	Yes	—	—
Mr. Ankur Gupta	Non Executive Independent Director	5	Yes	—	3
Mr. Ashish Bhala	Non Executive Independent Director	8	Yes	—	3
Mr. Rakesh Kumar	Non Executive Independent Director	8	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.

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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 2012-13.

Ashwani Kumar Gupta

Managing Director

New Delhi, September 2, 2013

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3. Audit Committee :

The audit committee comprises Three non-executive Directors. The Chairman is Sh. Ankur Gupta who 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 Terms of Reference of the Audit Committee were revised in view of the amended clause 49 of the Listing Agreement.

Four Audit Committee meetings were held during the year. These were held on 28-05-2012, 03-08-2012, 12-11-2012 & 12-02-2013. Attendance at Audit Committee Meetings during the year was as follows.

Member	Meeting held during the Year	Meeting Attended
Mr. Ankur Gupta	4	4
Mr. Ashish Bhala	4	1
Mr. Rakesh Kumar	4	4

Mr. Ankur Gupta, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on 29.09.2012.

4. Remuneration of Directors :

The Company has constituted Remuneration committee, which comprises 3 non-executive Directors viz: Mr. Ashish Bhala, Mr. Ankur Gupta and Mr. Rakesh Kumar. The Committee met once during the year details of remuneration paid/payable is as under.

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 01-04-12 to 31-03-13.

Name of Directors	Business relationship	Remuneration paid/payable from 01.04.12 to 31.03.13		
		Sitting fees	Salary & Perks	Total
Sh. Ashwani K. Gupta	Executive Director	—	4,40,000	4,40,000
Mr. Ashish Bhala	Non Executive Independent Director	—	—	—
Mr. Ankur Gupta	Non Executive Independent Director	—	—	—
Mr. Rakesh Kumar	Non Executive Independent Director	—	—	—

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