

***13<sup>TH</sup>***  
***ANNUAL REPORT***  
***2002 - 2003***

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**CUBICAL FINANCIAL SERVICES LIMITED**



## **CUBICAL FINANCIAL SERVICES LIMITED**

### **BOARD OF DIRECTORS**

**Shri Ashwani K. Gupta**

*Joint Managing Director*

**Shri Sushil Kumar Goel**

*Director*

**Shri Narendra Kumar Gaba**

*Director*

**Shri N.S.R. Prasad Raju**

*Director*

### **COMPANY SECRETARY IN PRACTICE**

**Sh. Deepak Kukreja**

**M/s Deepak Kukreja & Associates**

*Company Secretaries*

Alfa Gardens, 4A, Pusa Road,

New Delhi - 110 005

### **AUDITORS**

**M/s Faruqi & Company**

*Chartered Accountants*

211, Delhi Chambers,

Delhi Gate, Delhi-110 002

### **BANKERS**

**Union Bank of India**

Shalimar Bagh, Delhi

### **REGISTERED OFFICE**

253, Aggarwal Central Plaza,

7, Community Center,

Sector - 9, Rohini,

Delhi - 110 085

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## CUBICAL FINANCIAL SERVICES LIMITED

### NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Company will be held on Thursday the 25th September, 2003 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 Accounts for the year ended March 31, 2003 together with reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Ashwani K. Gupta, who retires by rotation, and being eligible, offers himself for the re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of the this Annual General Meeting un till 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 an ORDINARY RESOLUTION:  
**"RESOLVED THAT** Mr. N.S.R. Prasad Raju, who was appointed as Additional Director of the Company on 12th December, 2002 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 read with Article No. 107 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the said Act, from a member of the Company signifying his intention to propose his candidate for office of Director, be and is hereby appointed as a Director of the Company."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
**"RESOLVED THAT** Mr. Narender Kumar Gaba, who was appointed as Additional Director of the Company on 12th December of 2002 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 read with Article No. 107 Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the said Act, from a member of the Company signifying his intention to propose his candidate for office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass with or without modification (s), the following resolution as a "Special Resolution".  
**"RESOLVED THAT** approval be and is hereby accorded under section 163 and other applicable provisions, if any of the Companies Act, 1956 for keeping the Register and Index of Members and Copies of Annual Return at the premises of the Company's Registrar and Transfer Agents M/s Beetal Financial & Computer Services (P) Ltd. 321-S, Chirag Delhi, Near Shahid Bhagat Singh College, New Delhi - 110 017 or such other Registrar and Transfer Agents as may be appointed by the Company from time to time."

By Order of the Board  
for CUBICAL FINANCIAL SERVICES LIMITED

Sd/-

(ASHWANI K. GUPTA)  
Joint Managing Director

Place : Delhi  
Date : 28.08.2003

#### 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 48 hours before the commencement of the meeting.
2. The Register of Members and share Transfer Books of the Company will remain closed from Friday 19th September, 2003 to Thursday 25th September, 2003( both days inclusive).
3. The company's shares have been notified for compulsory dematerialisation w.e.f. June 22, 2002. Accordingly trading of shares of the company will be allowed only in de-mat form.
4. Members 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.



## CUBICAL FINANCIAL SERVICES LIMITED

5. Members are requested to produce at the entrance the enclosed attendance slip duly completed and signed for admission to meeting place.
6. 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
7. The Registered Office of the company has been changed from ED-6B, Madhuban Chowk, Pitampura, Delhi-110034 to 253, Aggarwal Central Plaza, 7, Community Center, Sector-9, Rohini, New Delhi-110 085 w.e.f. 28-07-03.
8. No Gifts/Gifts Coupons shall be provided to the members.
9. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed herewith.

By Order of the Board  
for CUBICAL FINANCIAL SERVICES LIMITED

Sd/-  
(ASHWAN K. GUPTA)  
Joint Managing Director

Place : Delhi  
Date : 28.08.2003

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

#### ITEM NO. 4

Mr. N.S.R. Prasad Raju was appointed as an Additional Director of the Company on 12-12-2002 and he vacates his office at this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. A notice under Section 257 of the said Act has been received from a member signifying his intention to propose the name of Mr. NSR Prasad Raju for appointment as a Director of the Company.

Your Board recommends the resolution as set out under Sr. No. 4 to the notice convening the Annual General Meeting for your approval.

None of Directors except Sh. NSR Prasad Raju, is concerned or interested in the said resolution.

#### ITEM NO. 5

Mr. Narendra Kumar Gaba was appointed as an Additional Director of the Company on 12-12-2002 and he vacates his office at this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

A notice under Section 257 of the said Act has been received from a member signifying his intention to propose the name of Mr. Narendra Gaba for appointment as a Director of the Company.

Your Board recommends the resolution as set out under Sr. No. 5 to the notice convening the Annual General Meeting for your approval.

None of Directors except Mr. Narendra Gaba, is concerned or interested in the said resolution.

#### ITEM NO. 6

The Company had taken electronic connectivity with M/s Beetal Financial & Computer Services (P) Ltd., A SEBI Registered Registrar and Transfer Agents and all physical work related to transfer and dematerialization of shares were handled in-house by the Secretarial Department of the Company.

As required by SEBI vide circular no. D&cc/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s Beetal Financial & Computer Services (P) Ltd., Registrar and Transfer Agents to do all the work related to share registry in terms of both physical and electronic as on 30.01.2003

Now, the approval of the shareholders by Special Resolution is sought for maintaining the Register and Index of the Members etc. at the premises of Company's Registrar and Transfer Agents.

Your Directors recommend the Special Resolution as set out under Sr. No. 6 to the notice convening the Annual General Meeting for your approval.

By Order of the Board  
for CUBICAL FINANCIAL SERVICES LIMITED

Sd/-  
(ASHWAN K. GUPTA)  
Joint Managing Director

Place : Delhi  
Date : 28.08.2003



## CUBICAL FINANCIAL SERVICES LIMITED

### DIRECTOR'S REPORT

To the Members,

Your Directors hereby submit the 13th Annual Report and the Audited Accounts for the year ended March 31, 2003.

#### FINANCIAL RESULTS

(Rs. in lacs)

PARTICULARS	For the Year	For the Year
	Ended 31.03.2003	Ended 31.03.2002
Total Income	5.07	15.38
Total Expenditure	13.16	10.92
Depreciation	1.72	3.00
Profit/(Loss) before tax	- 0.81	1.46
Less Provision for MAT	0.00	(-) 0.04
Add Deferred Tax Assets	- 1.34	0.14
Profit/(Loss) after tax	- 11.15	1.58
Paid up Equity Capital	303.40	303.40

During the year under review your company has earned loss of Rs. 11.15 lacs as compared to profit of Rs. 1.56 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 383 A of the Companies Act, 1956. But keeping in view of the financial position, the Company could not meet the demand of the candidate. However, your Company is complying with all the statutory requirements with the help of whole time company secretary in practice.

#### DIRECTORS RESPONSIBILITY STATEMENT

Yours directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- the directors have selected such accounting policies and applied them consistently and made judgements 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 that period.
- 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 fraud and other irregularities.
- the directors have prepared the annual accounts for the financial year ended 31st March 2003 on a 'going concern basis'.

#### DIRECTORS

Sh. Ashwani K. Gupta, retires by rotation and being eligible offers himself for reappointment.

Sh. Narender Gaba and Sh. N.S.R. Prasad Raju were appointed as additional directors of the company by the Board at its meeting held on 2-12-2002. The Company has received a notice under Section 257 of the Companies Act, 1956 for the appointment of Sh. Narender Gaba and Sh. NSR Prasad Raju as the Directors of the Company.

Sh. Mohinder Sain Gupta, resigned as Director of the Company w.e.f.11-01-03.

#### AUDITOR'S REPORT

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

#### 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.

**CUBICAL FINANCIAL SERVICES LIMITED****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 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.

**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 2003-2004 to the Stock Exchanges.

**FIXED DEPOSITS**

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

**ACKNOWLEDGEMENT**

Your 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

Place : Delhi  
Date : 28.08.2003

Sd/-  
(ASHWANI K. GUPTA)  
Joint Managing Director



### CORPORATE GOVERNANCE REPORT FOR THE YEAR 2002-03

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

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

The company firmly believes in good Corporate Governance. The company, while conducting its business has been upholding the core values of Cubical i.e., transparency, integrity, honesty, accountability and compliance of laws. The company continuously endeavors to improve on these aspects on an ongoing basis.

#### 2. Board of Directors:

The Board of Directors comprises Joint Managing Director and 3 Non-Executive Directors. During the year 9 Board meetings were held on 20-06-02, 29-06-02, 30-07-02, 23-08-02, 16-10-02, 30-10-02, 12-12-02, 11-01-03, 30-01-03. 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	No. of Board meetings attended	Attendance at last AGM	No. of other Directorships	Committee Membership/Chairmanship	
					Member	Chairman
Sh. Ashwani K. Gupta	Joint Managing Director	9	Yes	Nil	—	—
Sh. Sushil Kumar Goel	Director	9	Yes	Nil	—	—
Sh. Mohinder Sain Gupta (Resigned w.e.f. 11-01-03)	Director	7	Yes	Nil	—	—
Sh. N.S.R. Prasad Raju (Appointed w.e.f. 12-12-02)	Independent Director	2	—	Nil	—	—
Sh. Narender Kumar Gaba (Appointed w.e.f. 12-12-02)	Independent Director	1	—	6	—	—

The brief profile of the Directors proposed for appointment/re-appointment.

**Mr. N.S.R. Prasad Raju**, age 42 years, is the Director of the Company since Dec, 2002. He is the Financial Consultant for the last 20 years.

**Mr. Narender Kumar Gaba**, Chartered Accountants, age 36 years, is Director of the Company since Dec, 2002.

#### 3. Audit Committee:

The audit committee constituted on 12-12-02 consists of 3 Independent Non-executive Directors. The members of the committee are well versed in finance & accounts matters and general business practices.

The terms of reference of the Audit Committee include :

- To review financial statements and pre publication announcements before submission to the Board.
- To ensure Compliance of Internal Control Systems and action taken on internal audit reports.
- To apprise the Board on the impact of accounting policies, accounting standard and legislation.
- To hold periodical discussions with statutory auditors on the scope and content of the audit.
- To review the company's financial and risk management policies.

During the financial year 2002-2003 audit committee met on 30.01.2003. The present composition & attendance of the members of the committee is as follows.

Member	Number of Meeting Attendance
Sh. N.S.R. Prasad Raju	1
Sh. Narender Kumar Gaba	—
Sh. Sushil Kumar Goel	1



## CUBICAL FINANCIAL SERVICES LIMITED

### 4. Remuneration of Directors:

The remuneration of the Executive Directors is decided by the Board of Directors as per the remuneration policy of the company within the ceiling fixed by the shareholder. Given below are the details of actual payments made to the Directors for the period 01-04-02 to 31-03-03.

Name of Directors	Business relationship with the Company	Remuneration paid/payable from 01.04.02 to 31.03.03		
		Sitting fees	Salary & Perks	Total
Sh. Aswani K. Gupta	Executive Director	—	90000	90000
Sh. Sushil Kumar Goel	Director	—	—	—
Sh. Mohinder Sain Gupta (Resigned w.e.f. 11-01-03)	Director	—	—	—
Sh. N.S.R. Prasad Raju	Director	—	—	—
Sh. Narender Kumar Gaba	Director	—	—	—

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

Committee of the Board of Directors of the Company known as Share transfer committee looks after the grievance of shareholders of the company. Committee meets at frequent intervals to consider, interalia, share transfer, shareholder's complaints etc. During the financial year 2002-2003, Company has not received any complaints regarding transfer of shares etc.

### 6. General Body Meetings:

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

Financial Year	Date	Time	Venue
1999-2000	27-09-2000	10.00 A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036
2000-2001	27.09.2001	10.00 A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036
2001-2002	27-09-2002	10.00 A.M.	Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, Delhi-110 036

No special resolutions were required to be put through postal ballot last year.

No Special resolutions on matter requiring postal ballot are placed for shareholder's approval at this meeting.

### 7. Disclosures:

There are no materially significant related party transactions which may have potential conflict with the interest of the company at large.

### 8. Means of Communication:

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

### 9. General Shareholder Information

#### A. Annual General Meeting

Date and Time : 25th September, 2003 at 10.00 A.M.  
 Venue : Asha Farms, Opp. Swami Vivekanand Modern School,  
 Palla Gaon Road, Bhaktavarpur, New Delhi-110 036