

**14TH
ANNUAL REPORT
2003 - 2004**

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CUBICAL FINANCIAL SERVICES LIMITED



CUBICAL FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Shri Ashwan K. Gupta	<i>Joint Managing Director</i>
Shri Sushil Kumar Goel	<i>Director</i>
Shri Narender Kumar Gaba	<i>Director</i>
Shri N.S.R. Prasad Raju	<i>Director</i>

AUDITORS

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

BANKERS

Union Bank of India
 Shalimar Bagh, Delhi

Canara Bank
 Sector - 9, Rohini, Delhi

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services Pvt. Ltd.
 321-S, Chirag Delhi, Near Shahid Bhagat Singh College,
 New Delhi - 110 017

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CUBICAL FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of Company will be held on Friday the 24th September, 2004 at 10.00 A.M. at Asha Farms, Opposite Swami Vivekanand Modern School, Palla Gaon Road, Bhaktavarpur, New Delhi-110 036 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Accounts for the year ended March 31, 2004 together with reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Sushil Kumar Goel, 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 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 pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the appointment of Shri Ashwani K. Gupta as Managing Director of the Company for a period of 5 years w.e.f. 1st October 2004 on the terms and conditions as set out below, whose period of office will be liable to determination by retirement of rotation.

Salary : Rs. 30,000 /- per month.

Perquisites : In addition to above salary, Mr. Ashwani K. Gupta, Managing Director shall be entitled to the following perquisites:

- a) Contribution to Provident Fund, Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- c) Encashment of Leave at the end of tenure
- d) Medical reimbursement, and
- e) Telephone facility at residence.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, the remuneration payable to the 'Managing Director' by way of Salary & perquisites shall not exceed the maximum limits prescribed under Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowances etc., within such prescribed limit or ceiling without any further reference to the Company in General Meeting, subject however to the provision of Section 302 of the Companies Act, 1956."

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

Sd/-

(ASHWANI K. GUPTA)

Joint Managing Director

Place : Delhi

Date : 24.08.2004

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 Book of the Company will remain closed from Friday 17th September, 2004 to Friday 24th September, 2004 (both days inclusive).
3. The Company's shares have been notified for compulsory dematerialisation w.e.f. June 22, 2002. Accordingly trading

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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. 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. No Gift/Gifts Coupons shall be provided to the members.
8. 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/-

(ASHWANI K. GUPTA)

Joint Managing Director

Place : Delhi

Date : 24.08.2004

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

Item No. 4

The Company had appointed Mr. Ashwani K. Gupta as Joint Managing Director of the Company for a period of Five years w.e.f. 1.10.1999. The appointment so made will terminate on September 30, 2004. Keeping in view of rich experience of Mr. Ashwani K. Gupta and long association with the Company, your Board of Directors has proposed the appointment of Mr. Ashwani K. Gupta, as Managing Director of the Company for a period of 5 years w.e.f. 01.10.2004 on the term and conditions as setout in the resolution No. 4 under the head of Special Business.

Your Board recommends the resolution for your approval.

None of the Directors except Mr. Ashwani K. Gupta is deemed to be concerned or interested in the said resolution.

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

Sd/-

(ASHWANI K. GUPTA)

Joint Managing Director

Place : Delhi

Date : 24.08.2004



CUBICAL FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT

To the Members,

Your Directors hereby submit the 14 th Annual Report and the Audited Accounts for the year ended March 31, 2004.

FINANCIAL RESULTS*(Rs. in lacs)*

PARTICULARS	For the Year Ended 31.03.2004	For the Year Ended 31.03.2003
Total Income	37.36	5.07
Total Expenditure	16.95	13.16
Depreciation/Provisions	15.96	1.72
Profit/(Loss) before tax	4.45	-9.81
Less Provision for MAT	—	0.00
Add Deferred Tax Assets	- 1.87	-1.34
Profit/(Loss) after tax	2.58	-11.15
Paid up Equity Capital	303.40	303.40

During the year under review your company has earned profit of Rs. 2.58 lacs as compared to loss of Rs. 11.15 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. Your Company had given advertisement in the newspapers on 9.12.2003 and 17.08.2004 respectively for the post of Company Secretary. However keeping in view of the financial position & other factors, the Company could not meet the demand of the candidate. But 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 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;
- (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;
- (iv) The Directors have prepared the Annual Accounts for the financial year ended 31st March 2004 on a 'going concern basis'

DIRECTORS

Sh. Sushil Kumar Goel, retire by rotation and being eligible offers himself for reappointment.

The tenure of Shri Ashwani K. Gupta, as joint Managing Director shall expire on 30.09.2004. Your Board of Directors recommended the appointment of Shri Ashwani K. Gupta a Managing Director of the Company for a period of five years w.e.f. 01.10.2004.

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

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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 2004-2005 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

A report on Corporate Governance alongwith Auditors' Certificate on its compliances is attached to this 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**

Place : Delhi
Date : 30.06.2004

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

Sd/-
(N.S.R. PRASAD RAJU)
Director

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CUBICAL FINANCIAL SERVICES LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2003-04

(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 :

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 10 Board meetings were held on 25-04-03, 26-05-03, 27-06-03, 28-07-03, 12-08-03, 28-08-03, 26-09-03, 29-10-03, 27-01-04 & 29-01-04. 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
Sh. Ashwani K. Gupta	Joint Managing Director	10	Yes	-	-
Sh. Sushil Kumar Goel	Non Executive Director	9	Yes	-	-
Sh. N.S.R. Prasad Raju	Non Executive Independent Director	10	Yes	-	-
Sh. Narender Kumar Gaba	Non Executive Independent Director	4	Yes	3	-

3. Audit Committee :

The audit committee comprises three 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 prepublication 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.

Audit Committee met three times during the Financial Year 2003-2004 i.e. 27th June 2003, 28th July 2003 & 29th January 2004.

The present composition & attendance of the members of Audit committee is as follows.

Member	Meeting held during the year	Meeting Attended
Sh. N.S.R. Prasad Raju	3	3
Sh. Narender Kumar Gaba	3	2
Sh. Sushil Kumar Goel	3	3

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 shareholders. Therefore no separate Remuneration Committee has been constituted. Given below are the details of actual payments made to Directors for the period 01-04-03 to 31-03-04.


CUBICAL FINANCIAL SERVICES LIMITED

Name of Directors	Business relationship with the Company	Remuneration paid/payable from 01.04.03 to 31.03.04		
		Sitting fees	Salary & Perks	Total
Sh. Aswani K. Gupta	Executive Director	-	1,02,000	1,02,000
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:

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. Smt. Seema Kukreja, Secretarial officer of the Company is designated as Compliance Officer. Committee meets at frequent intervals to consider, inter alia, share transfer, shareholder's complaints etc. During the financial year 2003-2004, Company has not received any complaints regarding transfer of shares etc.

6. Postal Ballot:

For the year ended 31st March 2004 there have been no ordinary or special resolution passed by the Company's shareholders through postal ballot.

7. General Body Meetings:

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

Financial Year	Date	Time	Venue
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.	- do -
2002-2003	25.09.2003	10.00 A.M.	- do -

8. Disclosures :

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

9. Means of Communication:

The quarterly, half yearly and annual financial results are published in national news papers. 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.

10. General Shareholder Information
A. Annual General Meeting

Date and Time : Friday the 24th September, 2004
 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 2004 as permitted under the listing agreement.

C. Date of Book Closure

17th September, 2004 to 24th September, 2004 (both days inclusive)