



**BOARD OF DIRECTORS**

<b>Shri Ashwani K. Gupta</b>	<i>Managing Director</i>
<b>Shri Ashish Bhala</b>	<i>Director</i>
<b>Shri N.S.R. Prasad Raju</b>	<i>Director</i>
<b>Shri Ankur Gupta</b>	<i>Director</i>
<b>Sangeeta Sahni</b>	<i>Company Secretary</i>

**AUDITORS**

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

**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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## CUBICAL FINANCIAL SERVICES LIMITED

### NOTICE

**Notice** is hereby given that the 20th Annual General Meeting of the Members of Company will be held on Wednesday the 29th September, 2010 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, 2010, Profit & Loss Account for the period ended 31st March, 2010 together with Reports of Directors and Statutory Auditors thereon.
2. To appoint a Director in place of Sh. Ankur Gupta, who retires by rotation, being eligible offers himself for the re-appointment.

#### **SPECIAL BUSINESS**

3. To appoint Statutory Auditors of the Company other than the retiring Statutory Auditors, 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.
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 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ashish Bhala 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 :** 03.09.2010

#### **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 Wednesday 22nd September, 2010 to Wednesday 29th September, 2010 (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

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- b) Bombay Stock Exchange Limited,  
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 : 03.09.2010

## **EXPLANATORY STATEMENT**

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

### **Item No. 3 :**

#### **Appointment of M/s. Krishan Rakesh & Co., Chartered Accountants as Statutory Auditors of the Company:**

M/s Faruqui & Co., Chartered Accountants, the retiring Statutory Auditors of the Company have shown their unwillingness for reappointment as Statutory Auditor of the company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the members of company.

Accordingly, the Company has received a notice from member of the company alongwith a letter u/s 224 of the Companies Act, 1956 informing the eligibility signifying his intention to appoint M/s Krishan Rakesh & Co., Chartered Accountants, as the Statutory Auditor of the company in place of the retiring statutory auditor of the company.

Therefore, the Board recommend to pass necessary resolution by way of ordinary resolution to appoint M/s Krishan Rakesh & Co., Chartered Accountants, as the Statutory Auditors of the Company in place of retiring statutory auditors of the company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Members of the Company, on the remuneration as may be fixed by the Board.

A copy of the resignation tendered by the Auditors and eligibility letter as referred elsewhere are available for inspection of the members till the date of the meeting during business hours.

None of the director of the Company is concerned or interested in the proposed resolution.

### **Item No. 4 :**

#### **Appointment of Mr. Ashish Bhala as a Director of the Company :**

The board of Directors of the Company had at its meeting held on 7-6-2010 appointed Mr. Ashish Bhala 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. Ashish Bhala holds his office only upto to the date of this Annual General Meeting.

Mr. Ashish Bhala 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. Ashish Bhala as an Independent Director of the company. The Board considers it desirable that the Company should continue to avail the services of Mr. Ashish Bhala and accordingly recommends the resolution for the approval of the members of the company.

As declared by Mr. Ashish Bhala, as on March 31st, 2010 he is holding 19215 No. of equity shares of Rs. 10 each in the company.

None of the Directors except Mr. Ashish Bhala 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 : 03.09.2010

**DIRECTOR REPORTS**

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

Your Directors take pleasure in presenting the 20th Annual Report of the company along with the Audited Statement of Accounts for the year ended on March 31, 2010 together with the Auditors Report thereon.

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

<b>PARTICULARS</b>	<b>For the year ended 31.03.2010</b>	<b>For the year ended 31.03.2009</b>
Total Revenue	44.63	23.41
Total Expenditure	30.17	11.19
Depreciation/Provisions	0.56	0.75
Profit/(Loss) before Tax	13.88	11.45
Provisions for Taxation	2.14	-
Provisions for Fringe Benefit Tax	0.01	0.04
Deferred Tax Assets	0.02	-
Profit/(Loss) after Tax	11.75	11.41
Paid up Equity Capital	1303.40	303.40

**FINANCIAL REVIEW**

During the year under review your company has been able to report a satisfactory performance with the total profits before tax of Rs. 13.88 Lacs as compared to profit earned in the previous year of Rs. 11.45 Lacs.

**DIVIDEND**

Your directors do not recommend any dividend for the financial year 2009-2010 in order to meet the requirements of the funds into business of the Company.

**SHARE CAPITAL**

During the year, the Company issued 1,00,00,000 Nos. of Equity Shares of Rs. 10/- each to promoters and others at a price of Rs. 10/- each fully paid up aggregated to Rs. 10.00 Crore on preferential basis in accordance with the applicable SEBI guidelines.

**PREFERENTIAL ALLOTMENT**

In compliance to the requirements of guidelines of SEBI, the necessary disclosure as on 31-03-2010 have been made in the notes of accounts (Schedule O (B) (12) of the Balance Sheet).

**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 Sh. Ankur Gupta retires by rotation at ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

**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 Faruqui & Company, Chartered Accountants, New Delhi the Statutory Auditors of the company will retire at the forth coming Annual General Meeting and who have given the company notice in writing of his unwillingness to be re-appointed as the statutory auditors of the company. The Directors recommend the name of M/s Krishan Rakesh & Co., Chartered Accountants, New Delhi who have given their consent for appointment and have also given declaration that their appointment shall be within the limits prescribed by the section 224(1B). Your Directors recommend their appointment.

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance report and Corporate Governance Compliance Certificate are provided as per separate Annexures 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 31.3.2010 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, 2010, 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, 2010 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 2010-2011 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/-  
**(Ankur Gupta)**  
Director

Place : Delhi  
Date : 03.09.2010

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**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
- 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, 2010 :**

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 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 17 (Seventeen) Board meetings were held on 21-04-09, 27-05-09, 30-05-09, 24-06-09, 29-06-09, 10-07-09, 21-07-09, 15-07-09, 22-07-09, 30-07-09, 21-08-09, 05-09-09, 28-10-09, 11-12-09, 29-01-10, 02-02-2010 and 05-02-10. 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 2007-2008	Attendance in the last AGM	No. of other Directorships	Committee Membership/ Chairmanship
Sh. Ashwani K. Gupta	Managing Director	17	Yes	–	–
Sh. N.S.R. Prasad Raju	Non Executive Independent Director	15	Yes	–	3
Sh. Mohinder Sain Gupta (Expired on 15-05-2010)	Non Executive Director	15	–	–	3
Sh. Sunil Kumar (resigned on 21-08-2009)	Non Executive Independent Director	10	Yes	–	–
Ankur Gupta (w.e.f. 21-8-2009)	Non Executive Independent Director	6	Yes	–	3
Ashish Bhala (w.e.f. 7-06-2010)	Non Executive Independent Addl. Director	–	–	2	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.

-----x-----x-----x-----x-----x-----

**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 2009-10.

**Ashwani Kumar Gupta**

*Managing Director*

New Delhi, September 3, 2010

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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 29-06-2009, 30-07-2009, 28-10-2009 & 29-01-2010.

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

Member	Meeting held during the Year	Meeting Attended
Mr.N.S.R. Prasad Raju	4	4
Sh. Mohinder Sain Gupta (Expired on 15-05-2010)	4	4
Mr. Ankur Gupta (w.e.f. 21-8-2009)	4	2
Mr. Sunil Kumar (Resigned on 21-08-2009)	4	2

Mr. Ankur Gupta, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on 29.09.2009.

**4. Remuneration of Directors :**

The Company has constituted Remuneration committee, which comprises three non-executive Directors as on 31-03-2010 viz: Sh. N.S.R. Prasad Raju and Sh. Mohinder Sain Gupta and Sh. Ankur Gupta. The Committee met once during the year details of remuneration paid/payable is as under .

Name of Directors	Business relationship	Remuneration paid/payable from 01.04.09 to 31.03.10		
		Sitting fees	Salary & Perks	Total
Sh.Ashwani K. Gupta	Executive Director	—	1,65,000	1,65,000
Sh. N.S.R. Prasad Raju	Non Executive Independent Director	—	—	—
Sh. Ankur Gupta (w.e.f. 21-08-2009)	Non Executive Independent Director	—	—	—
Sh. Mohinder Sain Gupta (Expired on 15-05-2010)	Non Executive Director	—	—	—
Sh. Sunil Kumar (Resigned on 21-08-2009)	Non Executive Independent Director	—	—	—



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 01-04-09 to 31-03-10.

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.

**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 Ankur Gupta, 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 2009-2010, 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 20th Annual General Meeting of the company for the financial year 2009 -10 will be held on Wednesday, September 29, 2010 at 10.00 a.m. at Multipurpose Community Centre, Ghoga Village, Near Main Bus Stop, Delhi-110039.

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

Financial Year	Day, Date and Time of the Meeting	Venue of the Meeting
2008 - 09	Tuesday, September 29, 2009 at 10.00 a.m.	<b>Multipurpose Community Centre</b> Ghoga Village, Near Main Bus Stop, Delhi-110039.
2007 - 08	Friday, September 26, 2008 at 10.00 a.m.	<b>Multipurpose Community Centre</b> Kherakhurd, Alipur Block, Delhi - 82.
2006 - 07	Tuesday, September 25, 2007 at 10.00 a.m.	

**8. Disclosures :**

- There are no material 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 in the Annual Report for the related party transactions.
- The Company has complied with the requirements of the Stock Exchange SEBI/Statutory Authorities on all matters relating to capital Markets during the year under review and no penalties or strictures have been imposed on the company by the stock exchange/SEBI/Statutory Authority during the last three years.
- The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange(s).

**9. Means of Communication :**

The quarterly, half yearly and annual financial results are published in national newspapers and promptly furnished to the Stock Exchanges where shares of the company are listed, for display on their respective websites. 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.





During the financial years under review, the company published its financial results as per detail hereunder:

Financial Results	News Paper	Date of Publication
Unaudited financial results for the Qtr. Ended June 30, 2009	The Pioneer & Hari Bhumi (English) (Hindi)	31st July, 2009
Unaudited financial results for the Qtr. Ended September 30, 2009	The Pioneer & Hari Bhumi (English) (Hindi)	30th October, 2009
Unaudited financial results for the Qtr. Ended December 31, 2009	The Pioneer & Hari Bhumi (English) (Hindi)	30th January, 2010
Audited Financial Results for the Financial year Ended March 31, 2010	The Pioneer & Hari Bhumi (English) (Hindi)	1st June, 2010

### MANAGEMENT DISCUSSION AND ANALYSIS

**a) Industry Structure and Trends:**

Capital Market is dependent on various external factors beyond the control of the Management. Factors like economy, Industrial Growth, Level of Export, Political Scenario, Reform initiatives of the Government. The participants having any dealing with Capital Market are affected directly by the movement in the market.

**b) Opportunities and Threats:**

The outlook in the year ended 31.03.2009 was stable for the Capital Market. Keeping in view of the growth in the economy and investment made by the FII's sensex is scaling new heights and as results all concerned will be benefited. However capital market is dependent on various external factors beyond the control of the management.

**c) Outlook:**

Major changes and long term economic reforms have been introduced by the Government. With the change in Government, new economic policies in terms of the common minimum program are expected which will have its own impact on the capital markets which will effect the market participants.

**d) Risks & Concerns:**

The volatility in Stock Market, economic situation of the country, market risk and client default risk are high in this business. Your company proposes to manage these risks by adopting effective risk management practices.

**e) Internal Control System:**

There is an effective system of monitoring internal control in the company and these Policies and Procedures are reviewed from time to time.

**f) Financial performance:**

The financial performance of the company has been covered in the Director's Report.

**g) Human Resource Development:**

The relations with employees continued to be cordial and progressive. The total number of employees in the company as on 31st March 2010 was 8 (eight).

Place: Delhi  
Date : 03-09-2010

For and on behalf of the Board of Directors  
Sd/-  
(Ashwani K. Gupta)  
Managing Director