



CUBEX TUBINGS LIMITED



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**23rd Annual Report
2001 - 2002**





BOARD OF DIRECTORS

Mr. P.R.Bhandari	Managing Director
Mr. U.M.Bhandari	Executive Director
Mrs. Veena Bhandari	Director
Mrs. Suman Bothra	Director
Mr. Mukun Chand Devada	Director

BANKERS/INSTITUTIONS

State Bank of Hyderabad
Union Bank of India
Industrial Financial Corporation of India Ltd
Industrial Investment Bank of India

AUDITORS

M/s. Mogili Sridhar & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082.

REGISTERED OFFICE

1-7-27 to 34, 1st Floor, Shyam Towers,
United Building Complex, S.D.Road,
Secunderabad - 500 003.

WORKS

C-4, I.D.A.,
Patancheru,
Medak District, A.P.

Near 5th Phase, S.No.464,482
IDA,Patancheru
Medak District, A.P.

A-12-A, Industrial Estate,
Mettupalayam,
Pondicherry - 605 009.

SHARE TRANSFER AGENTS

Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad - 500 029.

CUBEX TUBINGS LIMITED**NOTICE**

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on Saturday, the 26th day of October, 2002, at 11.30 A.M. at SBI COLONY COMMUNITY HALL, 12-2-417/B/42, Gudimalkapur, Mehdiapatnam, Hyderabad – 500 028 to consider the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2002, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. ~~Mukun~~ Chand Devada who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditor and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

"Resolved that the Company has become Sick Industrial Company within the meaning of Clause (O) of sub section 1 of section 3 of Sick Industrial Companies (Special Provision) Act 1985 and the Board of Directors of the Company be and are hereby authorised to make reference to the Board for Industrial & Financial Reconstruction (BIFR) and revival package be submitted."

BY ORDER OF THE BOARD OF DIRECTORS
for **CUBEX TUBINGS LIMITED**

(P.R.BHANDARI)
MANAGING DIRECTOR

PLACE : HYDERABAD

DATE : 23.09.2002

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- c) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS SET OUT ABOVE, AS REQUIRED BY SEC.173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
- d) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED 23rd October, 2002 TO 26TH October, 2002 (BOTH DAYS INCLUSIVE)



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

ITEM NO. 4

The net worth of the Company has been eroded. The accumulated losses exceeded the net worth of the Company. The accumulated losses were due to the following reasons :

- Reduction in International Price of Copper and Severe recession in Copper product consuming industry.
- Devaluation of Indian Rupee.
- Recession in Copper Product/Industry.
- Non availability of the sufficient Working Capital.
- Heavy Interest Burden.

Since the Company has become Sick Industrial Company as per Clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985, a reference will be made to BIFR for the revival of the Company.

The Board of Directors of the Company duly authorised the Managing Director / Executive Director to take necessary required steps on behalf of the Company for the revival of the Company at the earliest date and to overcome the industrial sickness of the Company through revival package.

Your Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in this Resolution.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1. Name : Mr. Mukun Chand Devada
- Age : 39 Years
- Qualifications : B.Com.,
- Expertise : Experience in Trading and Manufacturing Industries.
- Other Directorships : NIL

CUBEX TUBINGS LIMITED**DIRECTORS' REPORT**

To
The Members of
M/s.CUBEX TUBINGS LIMITED

The Directors have pleasure in presenting the 23rd Annual Report of the company together with the Audited Accounts for the year ended 30th June, 2002.

FINANCIAL RESULTS

	Year Ended 30.06.2002 (Rs.in Lakhs)	Year Ended 30.06.2001 (Rs.in Lakhs)
Total Income	2059.31	1708.31
Profit /Loss before appropriations	(1316.02)	(244.87)
Balance Brought Forward	(2787.99)	(2543.12)
Balance Carried Forward	(4104.01)	(2787.99)

OPERATIONS

The Turnover of the Company increased to Rs.2059.31 Lakhs compared to the last year Turnover of Rs.1708.31 Lakhs. Due to heavy liability and interest charged by Bankers from 01.04.1999 the loss has been increased. The Company has become Sick Industrial Company as per Clause (O) of Section 3 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's earlier application is pending with AIFR.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report is given below:

A. INDUSTRY BACKGROUND

The Copper and Copper Alloy products have shown impressive growth in the last decade. Copper because of its high electrical conductivity and heat transfer characteristics finds wide application in the form of Rods, Tubes, Strips, Flats and Wires. The user industries are generally Switchgear, Motors, Refrigeration, Heat Exchanger, Automobile and Electrical Equipment industries.

B. INDUSTRY OUTLOOK

1. The International prices of Copper is at its lowest right now. Low prices of Copper would ensure greater adoptability of Copper in comparison to Aluminium in Electrical applications.
2. Since there is lot of emphasis of power generation the consumption of Copper Alloy tubes would increase.

C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal control systems are aimed at promoting operational efficiencies while stressing adherences to policies. The systems are designed with adequate internal controls commensurate



size and nature of operations. Transactions are executed in accordance with the company's policies. Assets are safeguarded and deployed in accordance with the Company's Policies.

During the year under review, an Audit Committee consisting of Three Independent and Non-Executive Directors was constituted. The committee is empowered by the Board with the authority to investigate any matters relating to the internal control system. The committee also reviews the quarterly, half yearly and annual financial statements before they are submitted to the Board and ensure compliance of internal control systems.

D. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company is able to retain the experienced staff, in spite of the Copper consuming Industries are under recession, the Company feels confident of keeping its manpower costs to below industry norms. The atmosphere that is created in the organization is conducive for self development and career growth, this is the success in retaining our manpower.

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956

- | | |
|--|---|
| (a) Conservation of Energy | : The company is monitoring the consumption of energy and is identifying measures for conservation of energy. |
| (b) (i) Technology Absorption, adaptation and innovation | : No technology either indigenous or Foreign is involved. |
| (ii) Research and Development (R & D) | : No research and Development has been carried out. |
| (b) Foreign exchange earnings | : NIL |
| Foreign exchange out go | : NIL |

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of Rs.24,00,000/- or more per annum or Rs.2,00,000/- or more per month where employed for a part of the year.

DIRECTORS

Mr. Mukun Chand Devada retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) 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 that period;

CUBEX TUBINGS LIMITED

- iii) the Directors had taken proper and sufficient care 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 had prepared the annual accounts on a going concern basis.

STATEMENT PURSUANT TO LISTING AGREEMENT

Presently the company's Equity shares are listed at The Hyderabad Stock Exchange (HSE), The Mumbai Stock Exchange (BSE) & The National Stock Exchange (NSE). The company could not pay the Annual Listing Fees from year 1997-1998 for Hyderabad Stock Exchange, from the year 1998-1999 for Mumbai Stock Exchange and from the year 2000-2001 for National Stock Exchange.

CORPORATE GOVERNANCE

In order to bring more transparency in the conduct of business, the Stock Exchanges have amended the listing agreement incorporating the code of corporate governance to listed companies. Your Company has always been committed to the best practices in the governance of its affairs. Your company had taken steps and complied with most of the recommendations during the year. For the year under review, the Compliance Report is provided in the Corporate Governance section in this Report. The Auditors' Certificate on compliance with the mandatory requirements of Corporate Governance is given in "Annexure "A" to this Report."

AUDITORS

M/s. MOGILI SRIDHAR & CO., Chartered Accountants, the present Auditors of the Company hold office until the conclusion of this Annual General Meeting of the Company. They have indicated their availability for re-appointment pursuant to Section 224 (1B) of the Companies Act, 1956.

PERSONNEL

The relations between the management and the staff were very cordial throughout this year. Your Directors take this opportunity to record their appreciation for the Co-Operation and loyal services rendered by the employees.

DEPOSITS

The company has not accepted any deposits during the year.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge with thanks the constructive guidance and support extended by Banks and Government Agencies.

for and on behalf of the Board
for **CUBEX TUBINGS LIMITED**

P.R.BHANDARI
MANAGING DIRECTOR

U.M.BHANDARI
EXECUTIVE DIRECTOR

PLACE : HYDERABAD.

DATE : 23.09.2002



ANNEXURE – “A” TO DIRECTORS REPORT- CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Basic philosophy of corporate governance of the company is to achieve business excellence and enhance shareholder value keeping in view the interests of all Share holders. The company stands by transparency in all its dealings and strict regulatory compliance. The company believes that strong corporate governance is indispensable for healthy business growth and to be resilient in a vibrant capital market and is an important instrument of investor protection.

2. BOARD OF DIRECTORS :

a) Composition

The composition of Board of Directors of the company meets the stipulated requirements. The Board of Directors comprises of One Managing Director, One Executive Director and 3 Independent Non Executive Directors. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the Share Holders.

b) Attendance of each Director at the Board Meetings and the last AGM

6 Board Meetings were held during the year from July 01,2001 to June 30th.2002. The dates on which the meetings were held i.e. 12.07.2001, 10.09.2001, 27.10.2001,13.11.2001, 25.01.2002 and 30.4.2002. The Last Annual General Meeting was held on 12th November,2001. The attendance of each Director is under:

Name of the Director	Category	No.of Other Director ships	No.of Committees In which member	No.of Board Meetings attended	Whether attended last AGM
Sri P.R. Bhandari	Managing Director	Nil	Nil	6	Yes
Sri.U.M.Bhandari	Executive Director	One	Nil	6	Yes
Mrs.Veena Bhandari	Independent Non-Executive	Nil	2	6	Yes
Mrs.Suman Bothra	Independent Non-Executive	Nil	2	4	Yes
Mr. Mukun Chand Devada	Independent Non-Executive	Nil	2	2	Yes

3. AUDIT COMMITTEE:

The Audit committee was set up by the Board of Directors in 10.09.2001. During the year under review Three (3) meetings were held for approval of Un-audited Financial Results for the quarter ended September, 2001, December, 2001 and March, 2002