

CUBEX TUBINGS LIMITED

Report



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**25th Annual Report
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CUBEX TUBINGS LIMITED



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,Patancherru
Medak District, A.P.

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

SHARE TRANSFER AGENTS

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

CUBEX TUBINGS LIMITED**NOTICE**

NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of December, 2004, at 10.30 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, 2004 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 Auditors and fix their remuneration.

SPECIAL BUSINESS**4. DELISTING OF EQUITY SHARES FROM HYDERABAD STOCK EXCHANGE LIMITED**

To consider and, if thought fit, to pass, with or without modifications(s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contract (Regulation) Act, 1956, and the rules framed there under and in terms of the SEBI (Delisting of Securities) Guidelines, 2003 dated 17.02.2003, the Listing Agreement with the Hyderabad Stock Exchange Limited and all other applicable laws, rules, regulations and guidelines as may be applicable and modifications, if any, made to the above from time to time and subject to such approvals as may be necessary, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the "Board" which expression shall be deemed to include a Committee of Directors duly authorised in this behalf) to voluntarily delist the Equity Shares from Hyderabad Stock Exchange Limited, Hyderabad"

"FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose and to settle any questions, difficulties or doubts that may arise in this regard".

5. DELISTING OF EQUITY SHARES FROM NATIONAL STOCK EXCHANGE OF INDIA LIMITED

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contract (Regulation) Act, 1956, and the rules framed there under and in terms of the SEBI (Delisting of

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of Securities) Guidelines, 2003 dated 17.02.2003, the Listing Agreement with the National Stock Exchange of India Ltd., and all other applicable laws, rules, regulations and guidelines as may be applicable and modifications, if any, made to the above from time to time and subject to such approvals as may be necessary, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the "Board" which expression shall be deemed to include a Committee of Directors duly authorised in this behalf) to voluntarily delist the Equity Shares from National Stock Exchange of India Limited, Mumbai".

"FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose and to settle any questions, difficulties or doubts that may arise in this regard".

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

PLACE : HYDERABAD
DATE : 25.11.2004

P.R.BHANDARI
MANAGING DIRECTOR

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 REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED 27th December, 2004 TO 30th December, 2004 (BOTH DAYS INCLUSIVE)

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 and forming part of the notice convening the Twenty Fifth Annual General Meeting, dated 30.12.2004.

ITEM NO. 4

The Equity shares of the Company were listed on Hyderabad Stock Exchange Limited in the year 1993. Every year the Company has been incurring substantial recurring expenditure to maintain the Listing Status on these Exchanges.

Securities and Exchange Board of India (SEBI) has come out with latest Guidelines in 2003, i.e., SEBI (Delisting of Securities) Guidelines, 2003 dated 17.02.2003 which enables the Company to opt for voluntarily delisting of shares. As per the above Guidelines, if the Company's shares are

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listed either on The Stock Exchange, Mumbai (BSE) or National Stock Exchange of India Ltd., which have nation wide trading terminals, it can opt for delisting of shares from the other exchanges with out providing exit option to the share holders. Since the Company's shares are listed on BSE which has nation wide trading terminals, it is proposed to voluntarily opt for delisting of Equity shares from Hyderabad Stock Exchange Limited with out providing an exit option to the shareholders in these regions.

The Guidelines mentioned above envisages the approval of the share holders for voluntary delisting of shares by way of special resolution. In view of the reasons cited above your Directors recommend passing of the Resolution No. 4.

None of the Directors is concerned or interested in the resolution.

ITEM NO. 5

The Equity shares of the Company were listed on National Stock Exchange of India Limited in the year 1996. Every year the Company has been incurring substantial recurring expenditure to maintain the Listing Status on these Exchanges.

Securities and Exchange Board of India (SEBI) has come out with latest Guidelines in 2003, i.e., SEBI (Delisting of Securities) Guidelines, 2003, dated 17.02.2003 which enables the Company to opt for delisting of shares. As per the above Guidelines, if the Company's shares are listed either on The Stock Exchange, Mumbai (BSE) or National Stock Exchange of India Ltd., which have nation wide trading terminals, it can opt for delisting of shares from the other exchanges with out providing exit option to the share holders. Since the Company's shares are listed on BSE which has nation wide trading terminals, it is proposed to voluntarily opt for delisting of Equity shares from National Stock Exchange of India Limited with out providing an exit option to the shareholders in these regions.

The Guidelines mentioned above envisages the approval of the share holders for voluntary delisting of shares by way of special resolution. In view of the reasons cited above your Directors recommend passing of the Resolution No.5.

None of the Directors is concerned or interested in the resolution.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

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

- | | | |
|---------------------|---|--|
| 1. Name | : | Mr. Mukun Chand Devada |
| Age | : | 41 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 25th Annual Report of the company together with the Audited Accounts for the year ended 30th June, 2004.

FINANCIAL RESULTS

	Year Ended 30.06.2004 (Rs.in Lakhs)	Year Ended 30.06.2003 (Rs.in Lakhs)
Total Income	3318.48	2449.80
Profit /(Loss)	(222.06)	(377.34)
Balance Brought Forward	(4481.35)	(4104.01)
Balance Carried Forward	(4703.41)	(4481.35)

OPERATIONS

The Turnover of the Company increased to Rs. 3318.48 Lakhs compared to the last year Turnover of Rs.2449.80 Lakhs. The Company has become Sick Industrial Company as per Clause (O) of Section 3 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985. And declared as a sick company by BIFR in terms of above section of the Act.

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 are reasonable which would ensure greater adoptability of Copper in comparison to Aluminium in Electrical Applications.
2. Since there is lot of emphasis on power generation the consumption of Copper Alloy tubes, Rods and Semis 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

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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. |
| (c) Foreign exchange earnings | : | NIL |
| Foreign exchange out go | : | Rs. 11,29,98,196/- |

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 retires 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 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;

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- iii) that 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) that 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 and the company could not pay the Annual Listing Fees from year 2002-2003 for Hyderabad Stock Exchange and for Mumbai Stock Exchange from the year 2004-2005. And the listing fees for National Stock Exchange paid upto the year 2003-2004.

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, Financial Institutions and Government Agencies.

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

P.R.BHANDARI **U.M.BHANDARI**
MANAGING DIRECTOR EXECUTIVE DIRECTOR

PLACE : HYDERABAD.

DATE : 25.11.2004.

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**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

5 Board Meetings were held during the year from July 01,2004 to June 30th,2004. The dates on which the meetings were held on i.e.03-07-2003,30-07-2003,31-10-2003,30-01-2004 & 29-04-2004. The Last Annual General Meeting was held on 30th December,2003. The attendance of each Director is under :

Name of the Director	Category	No.of Other Directorships	No.of Committees In which member	No.of Board Meetings attended	Whether attended last AGM
Sri P.R. Bhandari	Managing Director	Nil	Nil	5	Yes
Sri.U.M.Bhandari	Executive Director	One	Nil	5	Yes
Mrs.Veena Bhandari	Independent Non-Executive	Nil	2	4	No
Mrs.Suman Bothra	Independent Non-Executive	Nil	2	4	Yes
Sri. Mukun Chand Devada	Independent Non-Executive	Nil	2	4	Yes

3. AUDIT COMMITTEE:

Four (4) meetings were held for approval of Un-audited Financial Results for the quarters ended September, 2003, December, 2003 March, 2004 and June, 2004.