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CUBEX TUBINGS LIMITED

**29TH
ANNUAL REPORT
2007-2008**

CUBEX TUBINGS LIMITED**BOARD OF DIRECTORS**

Mr. P.R.BHANDARI	:	MANAGING DIRECTOR
Mr. U.M.BHANDARI	:	EXECUTIVE DIRECTOR
Mr. MUKUN CHAND DEVADA	:	DIRECTOR
Mr. BALAKRISHNA KARANDE	:	DIRECTOR
Mr. MOHAMMED RAJAB SYED ALI	:	DIRECTOR
Dr. K. VENKAT RAMANI	:	DIRECTOR

BANKERS / INSTITUTIONS

INDUSIND BANK LIMITED
INDUSTRIAL FINANCIAL CORPORATION OF INDIA LTD
INDUSTRIAL INVESTMENT BANK OF INDIA

AUDITORS

M/S. PMURALI & CO.,
CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082.

SOLICITORS

MR. M.V.S. PRASAD

REGISTERED OFFICE

1-7-27 to 34, SHYAM TOWERS,
S.D.ROAD, SECUNDERABAD - 500 003.
ANDHRA PRADESH, INDIA
Tel. No. 0091-40-27817440,27817436
Fax No. 0091-40-27812569
Email: cubex@rediffmail.com
www.cubextubings.com

WORKS

- | | |
|---|--|
| I) S.NO.464, 482, NEAR 5TH PHASE
IDA, PATANCHERU
MEDAK DISTRICT, A.P. | II) A-12-A, INDUSTRIAL ESTATE,
METTUPALAYAM
PONDICHERRY - 605 009. |
|---|--|

SHARE TRANSFER AGENTS

M/S. AARTHI CONSULTANTS PVT. LTD.,
1-2-285, DOMALGUDA,
HYDERABAD - 500 029
TEL. NO.: 0091-40-2763 8111, 2763 4445
FAX :0091-40-2763 2184
Website: www.aarthiconsultants.com
Email: info@arthiconsultants.com

LISTING AT

BOMBAY STOCK EXCHANGE LIMITED, MUMBAI
THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED, MUMBAI

CUBEX TUBINGS LIMITED

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Monday the 29th September, 2008 at 10.30 A.M at Hotel Raj Comfort Inn, Near Praradise, Opposite HDFC Bank, Secunderabad-500 003 to consider the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 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. Balakrsihna Karande who retires by rotation and being eligible to offer himself for reappointment.
3. To appoint a Director in place of Dr. K Venkat Ramani who retires by rotation and being eligible to offer himself for reappointment.
4. To appoint Auditor and fix their remuneration.

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

PLACE: HYDERABAD
DATE: 28.08.2008

SD/-
P.R.BHANDARI
MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. AN INSTRUMENT APPOINTING PROXY TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 27th SEPTEMBER 2008 TO 29th SEPTEMBER 2008 (BOTH DAYS INCLUSIVE).
4. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO NOTIFY/SEND ANY CHANGE IN THEIR ADDRESS TO THE COMPANY'S SHARE TRANSFER AGENTS OR TO THE COMPANY AT ITS REGISTERED OFFICE.
5. SHAREHOLDERS/PROXIES SHOULD BRING DULY FILLED ATTENDANCE SLIPS SENT HERewith FOR ATTENDING THE MEETING ALONG WITH THE COPIES OF ANNUAL REPORTS TO THE ANNUAL GENERAL MEETING.

CUBEX TUBINGS LIMITED

Brief Details of Directors seeking reappointment at this Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Balakrishna Karande
Date of Appointment	01.12.2000
Date of Birth	63 years
Qualification	Post Graduate in Engineering
Expertise in Specific functional areas	Having over a decade experience in Technical Services.
List of Companies in which Directorships held as on 31.03.2008	1
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2008	NIL

Name of the Director	DR. K Venkat Ramani
Date of Appointment	30-12-2005
Date of Birth	26-10-1942
Qualification	Post Graduate in Engineering
Expertise in Specific functional areas	Vast experience in concerned business
List of Companies in which Directorships held as on 31.03.2008	1
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2008	Nil

CUBEX TUBINGS LIMITED**DIRECTORS' REPORT**

To

The members of

M/s. CUBEX TUBINGS LIMITED

The directors have pleasure in presenting the 29th Annual Report of the Company together with the audited accounts for the year ended 31st March 2008.

FINANCIAL RESULTS

(in Lakhs)

	Year ended 31.03.2008	Year ended 31.03.2007
Income from operations	9778.26	9229.34
Other Income	94.50	68.41
Gross Profit	686.69	1064.38
Interest	7.86	41.14
Depreciation	92.37	84.20
Provision for Tax	68.43	1.28
Deferred Income Tax	10.22	15.20
Net Profit	536.11	952.95

OPERATIONS

The company has maintained an impressive growth momentum during the year. The turnover of the company increased to Rs. 9778.26 lakhs compared to the last year turnover of Rs. 9229.34 lakhs. This increase was mainly on account of higher capacity utilization and change in product mix with increase in production of Condenser Tubes. The operating profit was lower mainly due to higher input cost.

FINANCE & ACCOUNTS

With the focus on cash flows and working capital management you company continued to reduce its total borrowings. This coupled with access to low cost funds resulted in overall reduction in interest costs for the year under report

CAPITAL EXPENDITURE

Capital expenditure incurred during the year aggregated to Rs. 261.67 Lakhs. Capacity expansion program is under progress and is expected to be implemented by the end of Current financial year. The expansion will increase the company's product portfolio and margin accretive.

REDUCTION IN BORROWINGS

Strong cash accruals and control over working capital enabled the company to reduce the borrowing levels.

CUBEX TUBINGS LIMITED**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: Rs. 59,25,525.00
- (c) Foreign exchange out go: Rs. 6,58,09,175.00

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 were employed for a part of the year.

DIRECTORS RESPONSIBILITY STATEMENT

- i) that in the preparation of the Annual Accounts, for the year ended 31st March, 2008, the applicable accounting standards have been followed and there are no material departures;
- ii) we have selected appropriate 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 as on 31st March, 2008 and of the profit/loss of the company for the financial year ended 31st March, 2008;
- iii) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) we have prepared the annual accounts for the financial year ended 31st March, 2008 on a going concern basis.

DIRECTORS

Mr. Mr. Balakrishna Karande, and DR. K Venkat Ramani retire by rotation at the ensuing annual general meeting and being eligible to offer themselves for re-appointment. Mr. Vinod Chand Bothra resigned on 22.09.2007.

STATUTORY AUDITORS

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

M/s. P. Murali & Co., Chartered Accountants have furnished a certificate of their eligibility u/s 224(1B) of the Companies Act, 1956. The Board recommended to the members to reappoint the auditors and authorize the Board of Directors of the Company to fix their remuneration

STATEMENT PURSUANT TO LISTING AGREEMENT

The company's Equity shares are listed at

1. Bombay Stock Exchange Limited, Mumbai
2. The National Stock Exchange of India Limited, Mumbai.

The listing fee is paid up to the year 2008-09 for both the Stock Exchanges

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 Power Generation, Switchgear, Motors, Refrigeration, Heat Exchanger, Automobile and Electrical Equipment industries.

CUBEX TUBINGS LIMITED**B. INDUSTRY OUTLOOK**

Since there is lot of emphasis of power generation the consumption of Copper Alloy tubes, Rods and Semis would increase. The manufacturing capacity of condenser / refrigeration tubes are in short supply compare to its requirements in India. There is huge export potential for copper alloy extrusions.

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 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.

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."

EMPLOYEE RELATIONS

Employee relations were cordial during the year and the Board would like to place on its appreciation to all the employees of the Company for their dedicated services and performance in qualitative and quantitative parameters.

DEPOSITS

The company has not accepted any deposits during the year.

ACKNOWLEDGEMENTS

Your Directors thank the company's customers, vendors, investors, business associates, bankers and other agencies for their support to the company.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excellent.

For and on behalf of the board
For CUBEX TUBINGS LIMITED

SD/-
P.R.BHANDARI
Managing Director

SD/-
U.M.BHANDARI
Executive Director

Place: Hyderabad.
Date: 28.08.2008

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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. The Companies activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly software Company the company stands by transparency in all its dealings and strict regulatory compliance.

The Company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreements with the Stock Exchanges. With the adoption of whistle blower policy the company has moved further in its pursuit of excellence in corporate governance.

2. BOARD OF DIRECTORS

- a) The Company has 6 Directors with Managing Director and an Executive Director, Of the 6 Directors, 4 (I.e,more than 50%) are Non-Executive and Independent Directors. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b) None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2008.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of the Director	Category (Promoter/ Executive/ Non-Executive)	Designation	Relationship with other Directors	Number of memberships in Board of other Public Limited Company	+ Associated with other committees of Public Limited Company	
					Member	Chairman
Sri P.R. Bhandari	Promoter & Managing Director	Managing Director	Brother of U.M Bhandari	Nil	Nil	Nil
Sri.U.M.Bhandari	Promoter & Executive Director	Executive Director	Brother of P.R. Bhandari	Nil	Nil	Nil
Sri. Mukun Chand Devada	Independent	Non-Executive Director	Nil	Nil	Nil	Nil
Sri Balakrishna Karande	Independent	Non-Executive Director	Nil	1	Nil	Nil
Sri Mohammed Rajab Syed Ali	Independent	Non-Executive Director	Nil	Nil	Nil	Nil
Dr. K Venkat Ramani	Independent	Non-Executive Director	Nil	1	Nil	Nil

CUBEX TUBINGS LIMITED

Six Board Meetings were held during the year from April 01, 2007 to March 31, 2008 on the dates mentioned as follows: 30-04-2007, 17-07-2007, 02-09-2007, 30-10-2007, 01-11-2007 and 29-01-2008. The Last Annual General Meeting was held on 28th September 2007. The attendance of each Director is as under:

d)

Name of the Director	No. of Meetings held	No. meetings attended	Presence at AGM
Sri P.R. Bhandari	6	6	Yes
Sri.U.M.Bhandari	6	6	Yes
Sri. Mukun Chand Devada	6	6	Yes
Sri Balakrishna Karande	6	4	NO
Sri Mohammed Rajab Syed Ali	6	6	Yes
Dr. K Venkat Ramani	6	4	NO
Mr. Vinod Chand Bothra*	6	3	NO

*Resigned on date 22.09.2007

- e) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company
- f) During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

3. AUDIT COMMITTEE:

- I) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - Any changes in accounting policies and practices;
 - Qualification in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern concept;
 - Compliance with accounting standards;
 - Compliance with stock exchange and legal requirements concerning financial statements;
 - Any related party transactions
 - Reviewing the company's financial and risk management's policies.