



CUBEX TUBINGS LIMITED



**30th Annual Report
2008-2009**



CUBEX TUBINGS LIMITED

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
CITI BANK N.A.

AUDITORS

M/S. P.MURALI & 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 & cubex4u@yahoo.com
www.cubextubings.com

WORKS

- | | |
|--|--|
| I) NEAR 5TH PHASE, S.NO.464, 482
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 30th Annual General Meeting of the Members of the Company will be held on Tuesday the 29th September, 2009 at 3.30 P.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 2009 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. Mohammed Rajab Syed Ali who retires by rotation and being eligible to offer himself for reappointment.
3. To appoint a Director in place of Mr. Mukun Chand Devada who retires by rotation and being eligible to offer himself for reappointment.
4. To appoint Auditor and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including statutory modification(s), amendments or re-enactments thereof for the time being in force) and in accordance with the enabling provisions in the Memorandum and Articles of Association of the company and the Listing Agreement entered into between the Company with the Stock Exchanges, the subsisting guidelines and clarifications issued by the Government of India / Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of directors of the company, consent of the company be and is hereby accorded to the board of directors of the company and / or a duly authorised committee thereof for the time being exercising the powers conferred by the board of directors (hereinafter referred to as "the board") in its absolute discretion, to offer /issue and allot 7,00,000 Warrants, at a price as determined in accordance with the relevant SEBI Guidelines, convertible into Equity Share at the option of the warrant holders within an aggregate time period of 18 months from date of allotment of the warrants into not more than 7,00,000 Equity Shares of Rs.10/- per share as determined in accordance with the relevant SEBI Guidelines, to the promoter/promoters group of the company as mentioned in the Explanatory Statement attached to the notice convening this meeting, on a preferential basis, as the Board may in its absolute discretion decide, in one or more tranches and on such terms and conditions, as the board considers fit, subject to the following:

1. The warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the company in all respects.
2. The relevant date for calculating the price for issue and allotment of the above warrants is 31st August, 2009.
3. The equity shares to be allotted on conversion of the warrants shall rank pari-passu with the existing equity shares of the company in all respects.
4. The allotment of these warrants however subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be admissible after a period of 18 months from the date of allotment.
5. An amount equal to 25% of the price fixed in relation to each of the warrant shall be paid upfront by the person to whom the allotment is being made, at the time of allotment of the warrant and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 25% shall stand forfeited.

CUBEX TUBINGS LIMITED

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, then Board / committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds.

BY ORDER OF THE BOARD OF DIRECTORS
For CUBEX TUBINGS LIMITED

SD/-

PLACE : HYDERABAD

DATE : 01.09.2009

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. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is herewith annexed.
4. The Register of Members / Register of Beneficiaries and Share Transfer Books of the Company will remain closed from 28th September 2009 to 30th September 2009 (both days inclusive).
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. 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.
7. Members holding shares in dematerialization form are requested to notify/send any change in their address to the concerned depository participant (s).
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the company. Therefore, the shareholders willing to avail this facility may make nomination in form 2B.
10. 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.
11. A certificate from the Statutory Auditors of the Company, certifying that the pricing and issue of the above mentioned warrants to promoters/promoters group is in accordance with the prescribed guidelines on preferential issues, is also made available for inspection at the Registered Office of the Company during business hours on all working days during two weeks before the date of and during 30th 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. Mohammed Rajab Syed Ali
Date of Appointment	30.12.2005
Date of Birth/Age	64 years
Expertise in Specific functional areas	Administrative services
List of Companies in which Directorships held as on 31.03.2009.	1
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2009.	NIL
Name of the Director	Mr. Mukun Chand Devada
Date of Appointment	01-12-2000
Date of Birth /Age	52 years
Expertise in Specific functional areas	Vast experience in concerned business
List of Companies in which Directorships held as on 31.03.2009	1
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2009	Nil

Explanatory Statement

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

Item No.5

Your company has been looking at various options to finance the expansion plans acquisition and working capital requirements of the Company. In this direction, your Directors have explored the idea of issuing warrants to promoter/promoters group on preferential basis which will also strengthen the Capital base of the Company in addition to leveraging the long term financial requirements of the Company. Hence, It is proposed to offer, issue and allot 7,00,000 warrants convertible in to equal number of Equity Shares of Rs.10/- each, at the option of the warrant holders within an aggregate time period of 18 months from date of allotment of warrants at the issue as may be determined in accordance with the relevant SEBI Guidelines.

The information as required in terms of Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by the Securities and Exchange Board of India (SEBI) on preferential issues are as under.

(i) Objects of the issue through preferential offer:

The Company desired to strengthen the Capital base of the Company in addition to leveraging the long term financial requirements of the Company for Expansion/acquisition/ working capital/ other line of activities

b) Intention of the Investors to subscribe to the warrants:

The investor entity "**Cubaseal Metals Private Limited**" is promoter and is subscribing to this preferential issue to participate in the expansion plans/ working capital/acquisition of similar or other line of activities of the company. There is no change in control of the company subsequent to the issue of shares by way of preferential issue.

CUBEX TUBINGS LIMITED

c) Shareholding pattern

Shareholding pattern of the Company before and after conversion of proposed issue of warrants into equity shares pursuant to the Resolution given in the notice.

S.No	Category of Shareholder	Pre-Issue		Post Issue	
		Number of shares	%	Number of shares	%
(1)	Indian				
	Individuals/Hindu Undivided Family	1400035	18.90	1400035	17.27
	Bodies Corporate	1060180	14.31	1760180	21.71
	Trusts	10490	0.14	10490	0.13
	Sub Total	2470705	33.35	3170705	38.86
(2)	Foreign				
	Bodies Corporate	120000	1.62	120000	1.48
	Sub Total	120000	1.62	120000	1.48
	Total Shareholding of Promoter and Promoter Group	2590705	34.97	3290705	40.59
	Public Shareholding				
	Institutions				
	Mutual Funds/UTI	50700	0.68	50700	0.63
	Financial Institutions/Banks	800	0.01	800	0.01
	Sub Total	51500	0.69	51500	0.64
(3)	Non-Institutions				
	Bodies Corporate	701707	9.47	701707	8.65
	Individuals	0	0	0	0
	Individual shareholders holding nominal share capital upto Rs.1 lakh	2713387	36.63	2713387	33.46
	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1236766	16.69	1236766	15.25
	Any Others				
	Non Resident Individuals	44167	0.6	44167	0.54
	Overseas Corporate Bodies	50200	0.68	50200	0.62
	Clearing Members	19968	0.27	19968	0.25
	Sub Total	4766195	64.34	4766195	58.77
	Total Public Shareholding	4817695	65.03	4817695	59.41
(4)	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0
	Grand Total	7408400	100	8108400	100

(d) Time within which the allotment shall be completed:

Proposed time within which the allotment shall be completed is within 15 days from the date of passing of the resolutions in the 30th Annual General Meeting or such time given by the authorities in this regard.

e) Issue Price:

The price of the Warrants shall be fixed as on the relevant date as per the Preferential Issue guidelines issued by the Securities and Exchange Board of India.

CUBEX TUBINGS LIMITED

f) Identity of the proposed allottee:

Identity of the proposed allottee and percentage of post preferential issue upon conversion of warrants into shares are as under:

Name of the proposed Allottee	Pre-issue Equity Holding	%	Equity holding upon Conversion	%
Cubaseal Metals Pvt Ltd	73,300	0.99	773300	9.54

g) Change in the control or composition of the Board

There will not be any change in the control or composition of the Board after the preferential allotment

Consent of the members is being sought by a Special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, for preferential allotment. The Special Resolution as set out at the item 5 of the Notice, if passed will have the effect of allowing the Board to issue and allot warrants to the persons on the terms and conditions as may be decided by the Board. The Board may be authorized to take all necessary steps for implementing this Resolution.

The Directors recommend the passing of the above resolution as a Special Resolution.

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

BY ORDER OF THE BOARD OF DIRECTORS
For CUBEX TUBINGS LIMITED

Report  junction.com

SD/-

PLACE : HYDERABAD
DATE : 01.09.2009

P.R.BHANDARI
MANAGING DIRECTOR

CUBEX TUBINGS LIMITED

DIRECTORS' REPORT

To
The members of
M/s. CUBEX TUBINGS LIMITED

The directors have pleasure in presenting the 30th Annual Report of the Company together with the audited accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

	(in Lakhs)	
	Year ended 31.03.2009	Year ended 31.03.2008
Income from operations	4924.91	9778.26
Other Income	176.09	94.50
Gross Profit / (Loss)	(10.20)	686.69
Interest	8.01	7.86
Depreciation	102.96	92.37
Provision for Tax	1.07	68.43
Net Profit / (Loss)	(122.24)	536.11

OPERATIONS

During the year the turnover of the company is Rs.4924.91 Lakhs as compared to the last year turnover of Rs. 9778.26 lakhs represents. This decrease was mainly on account of decrease in cost of raw material and recession in the manufacturing sector.

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

REDUCITION IN BORROWINGS

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

FIXED DEPOSITS

Your company did not accept any Fixed deposits during the year under report.

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: Rs. 102.16 lakhs**(d) Foreign exchange out go:** Rs. 481.97 lakhs

CUBEX TUBINGS LIMITED**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 RESPONSIBILITY STATEMENT

- i) that in the preparation of the Annual Accounts, for the year ended 31st March, 2009, 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, 2009 and of the profit/loss of the company for the financial year ended 31st March, 2009;
- 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, 2009 on a going concern basis.

DIRECTORS.

Mr. Mohammed Rajab Syed Ali and Mr. Mukun Chand Devada retire by rotation at the ensuing annual general meeting and being eligible to offer themselves for re-appointment.

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 2009-10 for the 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.

B. INDUSTRY OUTLOOK

1. Since there is lot of emphasis of power generation the consumption of Copper Alloy tubes, Rods and Semis would increase.

CUBEX TUBINGS LIMITED

2. The manufacturing capacity of condenser / refrigeration tubes are in short supply compare to its requirements in India.
3. 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" 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.

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: 01.09.2009