



**CUBEX TUBINGS LIMITED**



**33<sup>RD</sup> Annual Report  
2011-2012**



**BOARD OF DIRECTORS**

Mr. P.R.BHANDARI	:	MANAGING DIRECTOR
Mr. VIRENDRA BHANDARI	:	EXECUTIVE DIRECTOR
Mr. MAHENDRA KUMAR RANKA	:	ADDITIONAL DIRECTOR
Mr. Y. NARASIMHA MURTHY	:	ADDITIONAL DIRECTOR
Mr. SANDEEP KUMAR	:	ADDITIONAL DIRECTOR

**BANKERS-**

INDUSIND BANK LIMITED  
CITI BANK N.A.  
AXIS BANK LIMITED

**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](mailto:cubex@rediffmail.com)  
[www.cubextubings.com](http://www.cubextubings.com)

**PLANT**

- |  |                                       |
|--|---------------------------------------|
| 1. NEAR 5TH PHASE, S.NO.464, 482<br>MEDAK DISTRICT, A.P. | 2. C-4, IDA, PHASE -1,<br>PATHANCHERU |
|--|---------------------------------------|

**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](http://www.aarthiconsultants.com)  
Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

**LISTING AT**

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

## NOTICE

NOTICE is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 28<sup>th</sup> September, 2012 at 10.00 A.M at Hotel Raj Comfort Inn, Near Paradise, 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 31<sup>st</sup> March 2012 the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

3. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution**

#### **Appointment of Sri. Virendra Bhandari as Director of the Company**

"RESOLVED THAT Sri. Virendra Bhandari, who was appointed by the Board of Directors as an Additional Director with effect from 12<sup>th</sup> January 2012 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

4. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution**

#### **Appointment of Sri. Mahendra Kumar Ranka as Director of the Company**

"RESOLVED THAT Sri. Mahendra Kumar Ranka, who was appointed by the Board of Directors as an Additional Director with effect from 12<sup>th</sup> January 2012 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

5. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution**

#### **Appointment of Sri. Sandeep Kumar as Director of the Company**

"RESOLVED THAT Sri. Sandeep Kumar, who was appointed by the Board of Directors as an Additional Director with effect from 25<sup>th</sup> August 2012 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

6. To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution

**Appointment of Sri. Y. Narasimha Murthy as Director of the Company**

"RESOLVED THAT Sri. Y. Narasimha Murthy, who was appointed by the Board of Directors as an Additional Director with effect from 25<sup>th</sup> August 2012 and who holds the office of Director up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

7. To Consider, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

**Appointment of Sri. Virendra Bhandari, as Executive Director of the Company**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time, approval of the members be and is hereby accorded to re-appoint Sri. Virendra Bhandari as Executive Director of the Company for a further period of five years w.e.f. 12<sup>th</sup> January 2012 at a remuneration of Rs. 40,000/- per month.

RESOLVED FURTHER THAT all other benefits, amenities and perquisites shall be allowed and paid to him as minimum remuneration during the tenure of his office, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any financial year, exceed the ceiling laid down in this behalf in schedule XIII of the Companies Act, 1956 including amendments made thereto from time to time.

RESOLVED FURTHER THAT the Remuneration committee be and is hereby authorized to review and also to determine performance linked incentives including commission, either on quarterly, half yearly basis, considering the maximum remuneration payable under provision of section 198 and schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Special Resolution:

"RESOLVED THAT in super-session of earlier resolution passed at the Extra-ordinary General Meeting of the Shareholders of the Company in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.1000 Crores (Rupees One Thousand Crores only)".

BY ORDER OF THE BOARD OF DIRECTORS  
For CUBEX TUBINGS LIMITED

PLACE: HYDERABAD  
DATE: 30.08.2012

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 **26<sup>th</sup> September 2012 to 28<sup>th</sup> September 2012** (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 this Annual General Meeting.
12. During the period under review, out of six Directors on the Board, three Directors have resigned from the Board due to their personal reasons and two directors were expired. Four Additional Directors were inducted on the Board to comply with the provisions of the Companies Act, 1956 and the clauses of Listing Agreement entered into by the Company with the stock exchanges. Except, Managing Director who was re-appointed in the previous Annual General Meeting held on 30<sup>th</sup> September 2011 for a period of five years, all other Directors on the Board are Additional Directors who shall not be counted to calculate the Directors whose office is liable to retire by rotation. Hence, Board could not recommend the names of the Directors whose office is liable to retire by rotation.

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

<b>Name of the Director</b>	Sri. Virendra Bhandari
<b>Date of Appointment</b>	12 <sup>th</sup> January 2012
<b>Date of Birth/Age</b>	40 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of other Public Companies in which Directorships held as on 31.03.2012.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2012.</b>	Nil

<b>Name of the Director</b>	Sri. Mahendra Kumar Ranka
<b>Date of Appointment</b>	12 <sup>th</sup> January 2012
<b>Date of Birth/Age</b>	50 Years
<b>Expertise in Specific functional areas</b>	Business Activities
<b>List of Companies in which Directorships held as on 31.03.2012.</b>	1
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2012.</b>	Nil

<b>Name of the Director</b>	Sri. Sandeep Kumar
<b>Date of Appointment</b>	25 <sup>th</sup> August 2012
<b>Date of Birth/Age</b>	27 Years
<b>Education Qualification</b>	He holds Bachelor's Degree in Commerce.
<b>List of Companies in which Directorships held as on 31.03.2012.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2012.</b>	Nil

<b>Name of the Director</b>	Sri. Y. Narasimha Murthy
<b>Date of Appointment</b>	25 <sup>th</sup> August 2012
<b>Date of Birth/Age</b>	54 Years
<b>Expertise in Specific functional areas</b>	He holds Bachelor's Degree in Technology (Mechanical Division).
<b>List of Companies in which Directorships held as on 31.03.2012.</b>	Nil
<b>Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2012.</b>	Nil

## **Explanatory Statement**

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

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

#### **Appointment of Sri. Virendra Bhandari as Director of the Company**

Sri. Virendra Bhandari was appointed as Additional Director in the Board Meeting held on 12<sup>th</sup> January 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

Brief Profile: Details regarding the person proposed to be appointed as Director has been mentioned above.

None of the Directors of the Company except Sri. P R Bhandari (being the relative of proposed appointee) to the extent of the appointment as Director is concerned or interested in this resolution.

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

#### **Appointment of Sri. Mahendra Kumar Ranka as Director of the Company**

Sri. Mahendra Kumar Ranka was appointed as Additional Director in the Board Meeting held on 12<sup>th</sup> January 2012. As per the provisions of Section 260 of the Companies Act, 1956, he hold the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

Brief Profile: Details regarding the person proposed to be appointed as Director has been mentioned above.

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

### **Item No. 5:**

#### **Appointment of Sri. Sandeep Kumar as Director of the Company**

Sri. Sandeep Kumar was appointed as Additional Director in the Board Meeting held on 25<sup>th</sup> August 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

Brief Profile: Details regarding the person proposed to be appointed as Director has been mentioned above.

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

### **Item No. 6:**

#### **Appointment of Sri. Y. Narasimha Murthy as Director of the Company**

Sri. Y. Narasimha Murthy was appointed as Additional Director in the Board Meeting held on 25<sup>th</sup> August 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

Brief Profile: Details regarding the person proposed to be appointed as Director has been mentioned above.

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

Item No. 7:

**Appointment of Sri. Virendra Bhandari as an Executive Director of the Company**

Sri. Virendra Bhandari was appointed as Additional Director in the Board Meeting held on 12<sup>th</sup> January 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds the office only up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director of the Company, along with the requisite deposit of Rs. 500/-. The approval of members is required for his appointment as Director.

Board of Directors in its meeting held on 12<sup>th</sup> January 2012, appointed Sri. Virendra Bhandari as Executive Director for a period of five years with effect from 12<sup>th</sup> January 2012 as per the terms and conditions and remuneration mentioned in the notice at resolution no.7

As per the provisions of Schedule XIII of the Companies Act, 1956, appointment of Sri. Virendra Bhandari as Executive Director requires the approval of the members in the General meeting. Hence, the above resolution at item no.7 is submitted to the meeting for approval by the members of the Company by passing Special Resolution.

**Brief profile of Sri. Virendra Bhandari:**

Mr. Virendra Bhandari holds a Master's Degree in Finance and Marketing and has vast experience in mobilizing the funds and also possesses good administrative qualities. Board believes that Mr. Virendra Bhandari is capable to manage the affairs of the Company as an Executive Director and build its extensive presence in both domestic and international market.

He does not hold any committee Memberships in any company.

The notice together with the explanatory statement attached herewith should be treated as an abstract of the terms of the agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956. The Board of Directors recommends the above resolution at item no.7 for the members' approval in the Annual General Meeting.

None of the Directors of the Company except Sri. P R Bhandari (being the relative of proposed appointee) to the extent of the appointment as Executive Director is concerned or interested in this resolution.

Item No. 8:

**Increase in borrowing powers of the Company**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (a part from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting. In view of the expansion activities by the company the Debts may exceed the Paid up Capital and Free Reserves of the Company and further with this resolution, the Company may avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes, hence, it is considered necessary to enhance the said borrowing limits of the Board of Directors to Rs.1000 Crores.

The Resolution set out at item No.8 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of Rs.1000 Crores.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS  
For CUBEX TUBINGS LIMITED

PLACE: HYDERABAD  
DATE: 30.08.2012

Sd/-  
P.R.BHANDARI  
MANAGING DIRECTOR



## DIRECTORS' REPORT

To  
The members of  
**M/s. CUBEX TUBINGS LIMITED**

The directors have pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the audited accounts for the year ended 31<sup>st</sup> March 2012.

### FINANCIAL RESULTS

(in Lakhs)

	Year ended 31.03.2012	Year ended 31.03.2011
<b>Income from operations</b>	<b>5542.35</b>	5165.53
<b>Other income</b>	<b>44.30</b>	33.09
<b>Total Expenditure</b>	<b>5359.66</b>	4931.98
<b>Interest</b>	<b>13.77</b>	14.23
<b>Depreciation &amp; Amortization of Exp.</b>	<b>147.64</b>	134.00
<b>Provision for Tax</b>	<b>31.34</b>	24.94
<b>Net Profit</b>	<b>34.26</b>	93.19

### THE COMPANY'S PRODUCTS / SERVICES

CUBEX is manufacturer of seamless solid drawn Tubes, Rods, Bus bars and Wires of copper and copper based alloys such as Cupronickel, admiralty Brass, Aluminum Brass etc. Copper because of its high electrical conductivity and heat transfer characteristics finds wide application in the form of Tubes, Rods, Strips and Wires. The user industries are Power plants, Power plants manufacturers, Switchgears, Refineries, Furnace manufacturers, Sugar plants, Automobile and Electrical Equipment industries.

### OPERATIONS

Your company has registered a total income of Rs. **5586.66** lakhs for 2011-12 as compared to Rs. 5198.32 for 2010-11 and the company posted a net profit of Rs. **34.26** lakhs for 2011-12 as compared to Rs. 93.19 lakhs for 2010-11. The fall in profitability is due to increase in the cost of raw materials, overheads viz., power charges, wages and salaries, maintenance of plant and mainly due to recession in the copper market.

### DIVIDEND

The Directors regret their inability to recommend dividend for the year under review due to insufficient profit.

### PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under, during the financial year under review.

### SHARE WARRANTS

The Company had allotted **1,25,91,600** share warrants to the persons belonging to promoter group & other than promoter group in the Board Meeting held on 10<sup>th</sup> November 2011. These warrants are convertible into equal numbers of equity shares at the option of the warrant holder within 18 months from the date of the allotment. Allottees of these warrants have exercised their option to convert **45,00,000** Warrants into equal number of equity shares by paying the balance amount. Accordingly, the Board of the Company in its meeting held on 31<sup>st</sup> March 2012 allotted **45,00,000** equity shares and pursuant to this allotment the paid-up capital of the company has been increased accordingly. Still, **80,91,600** balance share warrants are pending with the allottees.

### Shareholding Pattern

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

CATEGORY	PRE- ISSUE		POST-ISSUE	
	No. of Shares	% of share holding	No. of Shares	% of share holding
<b>1. Promoters Holding</b>				
A. Indian Promoters	2450505	33.08	7950505	39.75
B. Foreign Promoters	120000	1.62	120000	0.60
<b>SUB TOTAL(A+B)</b>	<b>2570505</b>	<b>34.70</b>	<b>8070505</b>	<b>40.35</b>
<b>2. Non Promoters Holding</b>				
A. Institutional Investors				
a. Mutual Funds	45600	0.61	45600	0.23
b. Indian FI's / Banks	800	0.01	800	0.01
c. FIs	0	0	0	0
d. Indian Bodies Corporate	478328	6.46	7569928	37.85
B. Others				
a. NRIs / OCB's	102791	1.39	102791	0.51
b. Indian Public	4206976	56.79	4206976	21.03
c. any other (clearing members)	3400	0.04	3400	0.02
<b>SUB TOTAL (A+B)</b>	<b>4837895</b>	<b>65.30</b>	<b>11929495</b>	<b>59.65</b>
<b>GRAND TOTAL</b>	<b>7408400</b>	<b>100</b>	<b>20000000</b>	<b>100</b>

### SALE OF UNIT

During the year under review, approval of the members of the Company was sought by way of Postal Ballot to sale its Unit situated at Mettupalayam, Pondicherry. Board took note of the completion of the sale in its meeting held on 10<sup>th</sup> November 2011.

### DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES

As on 31st March 2012, there were no Equity Shares of Shareholders were lying in the Escrow Account due to non-availability of the correct particulars.

### CORPORATE GOVERNANCE

Your Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance together with a certificate from the Statutory Auditor's confirming compliance is set out in the Annexure forming part of this report.

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

A Management Discussion and Analysis Report, has been attached and forms part of the Annual Report.